DOCUMENTS RELATIFS AUX RELATIONS EXTÉRIEURES DU CANADA

DOCUMENTS ON CANADIAN EXTERNAL RELATIONS

ORGANIGRAMME DE L'ADMINISTRATION CENTRALE DU MINISTÈRE DES AFFAIRES EXTÉRIEURES — 1944 — DEPARTMENT OF EXTERNAL AFFAIRS HEADQUARTERS ORGANIZATION CHART

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[7]Chief Administrative Officer

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[4]En congé pendant la première partie de l'année/date de retour inconnue
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The period during which a person held a position or was a member of a Division or Section is indicated in parentheses beside the name. The name of the Head of a Division or Section is always to the left of the list of members.

CANADA

DOCUMENTS RELATIFS AUX RELATIONS EXTÉRIEURES DU CANADA

DOCUMENTS ON CANADIAN EXTERNAL RELATIONS

VOLUME 10
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TOME I/PART I

Compilé par/Edited by
John F. Hilliker

MINISTÈRE DES AFFAIRES EXTÉRIEURES
DEPARTMENT OF EXTERNAL AFFAIRS

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TABLE DES MATIÈRES
CONTENTS

PAGE

ORGANIGRAMMES DE L'ADMINISTRATION CENTRALE DU MINISTÈRE DES AFFAIRES EXTÉRIEURES ..... (garde de tête et de queue)
INTRODUCTION x
REMERCIEMENTS xviii
LISTE DES ABRÉVIATIONS xx
PROVENANCE DES DOCUMENTS xxi
LISTE DES PERSONNALITÉS xxiii
ILLUSTRATIONS xxxv

Chapitre I

CONDUITE DES RELATIONS EXTÉRIEURES

1. Nomination du gouverneur général 1
2. Représentation diplomatique et consulaire
   a. Argentine 7
   b. Belgique et Luxembourg 10
   c. Chili 13
   d. Cuba 15
   e. Danemark 16
   f. France 18
   g. Grèce 35
   h. Inde 39
   i. Italie 42
   j. Mexique 45
   k. Pays-Bas 50
   l. Norvège 51
   m. Pérou 53
   n. Pologne 56
   o. Afrique du Sud 59
   p. Espagne et Portugal 67
   q. Suisse 69
   r. États-Unis 76
   s. Vénézuéla 95
3. Arrangements pour des puissances protectrices
   a. Intérêts canadiens en territoire contrôlé par l'ennemi 96
   b. Intérêts allemands au Canada 101
   c. Intérêts japonais au Canada 106

PAGE

DEPARTMENT OF EXTERNAL AFFAIRS HEADQUARTERS ORGANIZATION CHARTS ..... (front and back end-papers)
INTRODUCTION xi
ACKNOWLEDGEMENTS xix
LIST OF ABBREVIATIONS xx
LOCATION OF DOCUMENTS xxi
LIST OF PERSONS xxiii
ILLUSTRATIONS xxxv

Chapter I

CONDUCT OF EXTERNAL RELATIONS

1. Appointment of Governor-General 1
2. Diplomatic and Consular Representation
   a. Argentina 7
   b. Belgium and Luxembourg 10
   c. Chile 13
   d. Cuba 15
   e. Denmark 16
   f. France 18
   g. Greece 35
   h. India 39
   i. Italy 42
   j. Mexico 45
   k. The Netherlands 50
   l. Norway 51
   m. Peru 53
   n. Poland 56
   o. South Africa 59
   p. Spain and Portugal 67
   q. Switzerland 69
   r. United States 76
   s. Venezuela 95
3. Arrangements for Protecting Powers
   a. Canadian Interests in Enemy-Controlled Territory 96
   b. German Interests in Canada 101
   c. Japanese Interests in Canada 106

4. Relations entre le ministère des Affaires extérieures et le ministère du Commerce 116

5. Passeports 122

Chapitre II

CONDUITE DE LA GUERRE

1. Politiques et objectifs des Alliés
   - a. Capitulation sans conditions 128
   - b. Reconnaissance du gouvernement provisoire français 131
   - c. Entrée de l'Union soviétique dans la guerre avec le Japon 176
2. Direction de l'effort de guerre allié
   - a. Commandements en chef alliés 178
   - b. Organisations de guerre composées 214
   - c. Conférence de Québec 267
3. Entraînement aérien 271
4. Forces canadiennes outre-mer
   - a. Navires pour la Marine royale du Canada 313
   - b. Forces canadiennes en Europe 322
   - c. Forces canadiennes dans le Pacifique 368
5. Approvisionnements de guerre et finances
   - a. Australie 473
   - b. Antilles britanniques 484
   - c. Chine 497
   - d. France 530
   - e. Arrangement financier avec la Grande-Bretagne et la zone sterling 539
   - f. Inde 715
   - g. Nouvelle-Zélande 732
   - h. Approvisionnements pour l'Union soviétique 734
   - i. Abandon du Comité conjoint d'aide en temps de guerre 759
6. Disposition de surplus de guerre
   - a. Grande-Bretagne et Europe 760
   - b. États-Unis 775

4. Relations between Department of External Affairs and Department of Trade and Commerce 116

5. Passports 122

Chapter II

CONDUCT OF THE WAR

1. Policies and Objectives of the Allies
   - a. Unconditional Surrender 128
   - b. Recognition of French Provisional Government 131
   - c. Entry of the Soviet Union into War with Japan 176
2. Direction of the Allied War Effort
   - a. Supreme Allied Commands 178
   - b. Combined War Organizations 214
   - c. Quebec Conference 267
3. Air Training 271
4. Canadian Forces Overseas
   - a. Ships for Royal Canadian Navy 313
   - b. Canadian Forces in Europe 322
   - c. Canadian Forces in the Pacific 368
5. War Supplies and Finance
   - a. Australia 473
   - b. British West Indies 484
   - c. China 497
   - d. France 530
   - e. Financial Arrangements with Great Britain and the Sterling Area 539
   - f. India 715
   - g. New Zealand 732
   - h. Supplies for Soviet Union 734
   - i. Termination of Joint War Aid Committee 759
6. Disposal of War Surplus
   - a. Great Britain and Europe 760
   - b. United States 775

Chapitre III

RÈGLEMENTS DE LA PAIX

1. Règlements avec l'Italie 782
2. Conseil des ministres aux Affaires étrangères 795
3. Règlements avec l'Allemagne et l'Autriche
   a. Conditions de capitulation 827
   b. Occupation et contrôle 882
4. Règlements avec d'autres pays européens
   a. Finlande 943
   b. Bulgarie 966
   c. Roumanie 966
   d. Hongrie 972
5. Règlement avec le Japon
   a. Conditions de capitulation 972
   b. Occupation et contrôle 977
6. Crimes de guerre
   a. Europe 1009
   b. Asie 1035
7. Réparations 1044
8. Conférence des ministres aux Affaires étrangères, Moscou, 16-26 décembre 1945: Préparation des traités de paix 1096

Chapter III

PEACE SETTLEMENTS

1. Settlement with Italy 782
2. Council of Foreign Ministers 795
3. Settlements with Germany and Austria
   a. Surrender Terms 827
   b. Occupation and Control 882
4. Settlements with Other European Countries
   a. Finland 943
   b. Bulgaria 966
   c. Roumania 966
   d. Hungary 972
5. Settlement with Japan
   a. Surrender Terms 972
   b. Occupation and Control 977
6. War Crimes
   a. Europe 1009
   b. Asia 1035
7. Reparations 1044
8. Conference of Foreign Ministers, Moscow, December 16-26, 1945: Preparation of Peace Treaties 1096

Chapitre IV

PRISONNIERS DE GUERRE, CIVILS INTERNÉS, RAPATRIÉS ET RÉFUGIÉS

1. Logement des prisonniers de guerre 1102
2. Traitement des prisonniers de guerre et des internés de l'Europe
   a. Italiens 1110
   b. Finlandais 1114
   c. Allemands 1116
3. Traitement des Japonais 1119
4. Rapatriement des Canadiens
   a. De l'Europe 1171
   b. De l'Asie 1201
5. Rapatriement des personnes de nationalité contestée 1220

Chapter IV

PRISONERS OF WAR, INTERNED CIVILIANS, REPATRIATES AND REFUGEES

1. Accommodation of Prisoners of War 1102
2. Treatment of Prisoners of War and Internees of Europe
   a. Italians 1110
   b. Finns 1114
   c. Germans 1116
3. Treatment of Japanese 1119
4. Repatriation of Canadians
   a. From Europe 1171
   b. From Asia 1201
5. Repatriation of Persons with Disputed Nationality 1220

6. Réfugiés
   a. Admission des réfugiés 1245
   b. Comité intergouvernemental sur les réfugiés 1268

6. Refugees
   a. Admission of Refugees 1245
   b. Intergovernmental Committee on Refugees 1268

Chapitre V

SECOURS POUR LES TERRITOIRES LIBÉRÉS ET OCCUPÉS

1. Secours militaires 1287
2. Administration des Nations Unies pour le secours et la reconstruction (UNRRA)
   a. Réunion du Conseil, Montréal 1484
   b. Finances et achats 1495
   c. Approvisionnements de secours pour l'Union soviétique 1542
   d. Conventions sanitaires 1576
   e. Réunion du Conseil, Londres 1588
3. Secours pour la Grèce 1600
4. Approvisionnements civils pour l'Italie 1626
5. Disponibilité et expédition d'approvisionnements 1642

INDEX 1693

Chapter V

RELIEF FOR LIBERATED AND OCCUPIED TERRITORIES

1. Military Relief 1287
2. United Nations Relief and Rehabilitation Administration (UNRRA)
   a. Council Meeting, Montreal 1484
   b. Finance and Procurement 1495
   c. Relief Supplies for the Soviet Union 1542
   d. Sanitary Conventions 1576
   e. Council Meeting, London 1588
3. Relief for Greece 1600
4. Civilian Supplies for Italy 1626
5. Availability and Shipment of Supplies 1642

INDEX 1697

INTRODUCTION

INTRODUCTION

Le présent volume et celui qui suivra traitent de la politique extérieure du Canada pendant les 18 derniers mois de la Deuxième Guerre mondiale et les premiers mois de la période de paix. Tout comme pour les trois volumes précédents de cette série, cet ouvrage présente l'évolution d'une question sur une période de deux ans. Le Volume 10 commence avec un chapitre sur la conduite des relations extérieures. Le reste de ce volume est consacré aux politiques liées à la guerre et à ses suites immédiates: règlements de paix, prisonniers de guerre et questions similaires, ainsi que la fourniture de secours aux territoires libérés et occupés. Le Volume 11 portera sur la fondation de l'Organisation des Nations Unies, l'énergie atomique et d'autres aspects de la planification à plus long terme de l'après-guerre, de même que sur les organisations et conférences internationales, le Commonwealth et les relations bilatérales.

S'il fallait choisir une seule expression qui puisse résumer l'état d'esprit qui transparaît dans les documents publiés dans le présent ouvrage, ce serait la 'lassitude de la guerre'. Certes, le Canada n'avait pas subi de dégâts physiques pendant la guerre, mais une grande partie de ses troupes avaient séjourné plus longtemps à l'étranger que celles de toute autre nation alliée. Il souhaitait donc rapatrier ses forces dès que possible après la cessation des hostilités. Ce voeu n'était toutefois pas assorti d'un désir de cesser de participer aux affaires internationales car le Canada souhaitait, au même moment, prendre à la formation du monde de l'après-guerre une part qui corresponde à sa contribution à la victoire. L'argument invoqué dans la recherche de ce dernier objectif s'appuyait sur un principe essentiel, celui de la réprésentation fonctionnelle (Volume 9, p. XII), qui était devenu un des grands axes de la politique extérieure canadienne après la création des organisations de guerre composées par la Grande-Bretagne et les États-Unis au début de 1942.

Le cadre administratif à l'intérieur duquel le Canada poursuivait ses objectifs connut des modifications pendant la période qui fait l'objet du présent volume. Les organigrammes apparaissant au début et à la fin de l'ouvrage illustrent la structure du Siège avant et après la réorganisation intervenue en 1945. Ce processus fera l'objet d'une description détaillée dans l'histoire administrative du ministère qui est en préparation.[1]

La conduite des relations extérieures a également été affectée par les absences prolongées d'Ottawa du Premier ministre, qui cumulait toujours les fonctions de secrétaire d'État aux Affaires extérieures, ainsi que de hauts fonctionnaires. En effet, l'imminence de la paix facilitait les déplacements à l'étranger et les consultations internationales revêtaient un caractère croissant d'urgence. Du 1[er] au 20 mai 1944, le premier ministre et le sous-secrétaire d'État aux Affaires extérieures assistèrent à Londres à une réunion des

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[1]Les documents relatifs à l'organisation du ministère se trouvent au dossier 1086-40. Voir également le *Rapport du secrétaire d'État aux Affaires extérieures pour l'année terminée le 31 décembre 1944* (Ottawa, Imprimeur du Roi, 1945), *Rapport ... pour l'année terminée le 31 décembre 1945* (Ottawa, Imprimeur du Roi, 1946), et F. H. Soward, *Canada in World Affairs: From Normandy to Paris, 1944-1946* (Toronto, Oxford University Press, 1950), pp. 329-31.

INTRODUCTION

The present volume and the one to follow deal with Canada's external policies in the closing year and one-half of the Second World War and the first months of peace. As in the previous three volumes in this series, themes are examined as they developed over two years. Volume 10 opens with a chapter on the conduct of external relations. The remainder is devoted to policies related to the war and to its immediate aftermath: peace settlements, prisoner-of-war and similar questions, and relief for liberated and occupied territories. Volume 11 will deal with the organization of the United Nations, atomic energy and other aspects of longer-term post-war planning, along with international organizations and conferences, the Commonwealth, and bilateral relations.

If one were to choose a single expression to sum up the mood reflected in the documents published in this volume, it would be 'war weariness'. Although Canada had suffered no physical damage during the war, many of her troops in Europe had been far from home for a longer period than those of any other Allied nation. There therefore was a desire to bring the forces home as quickly as possible, once the fighting ceased. That, however, did not imply a desire to withdraw from involvement in international affairs, for there was at the same time a concern to have a share, commensurate with Canada's contribution to victory, in shaping the post-war world. Essential to the argument in pursuit of the latter objective was the principle of functional representation (Volume 9, p. XIII), which had become a centrepiece of Canadian external policy after the creation of the combined war organizations by Britain and the United States early in 1942.

The administrative framework within which Canada's objectives were pursued was altered during the period covered by this volume. Charts printed as the front and back endpapers illustrate the headquarters structure as it appeared before and after reorganization in 1945. The process will be described in detail in the forthcoming administrative history of the department.[1]

The conduct of external relations was affected as well by the extended absences from Ottawa of the Prime Minister, still also Secretary of State for External Affairs, and senior officials as the approach of peace made foreign travel easier and the need for international consultations became more urgent. From May 1-20, 1944, the Prime Minister and the Under-Secretary were in London for a meeting of Commonwealth prime ministers (May 1-16); during their absence, J. L. Ralston served as acting Prime Minister, L. S. St. Laurent as acting Secretary of State for External Affairs and Hume Wrong as acting Under-Secretary. From April 23 until May 14 and again from June 22-27, 1945, the Prime Minister was in San Francisco for the founding conference of the United Nations (April 25- June 26). On this occasion, J. L. Ilsley was acting Prime Minister and Brooke Claxton acting Secretary of State for

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[1] Documents on departmental organization are in file 1086-40. See also *Report of the Secretary of State for External Affairs for the Year Ended December 31, 1944* (Ottawa: King's Printer, 1945), *Report ... for the Year Ended December 31, 1945* (Ottawa: King's Printer, 1946), and F. H. Soward, *Canada in World Affairs: From Normandy to Paris, 1944-1946* (Toronto: Oxford University Press, 1950), pp. 329-31.

premiers ministres du Commonwealth (1-16 mai); en leur absence, J. L. Ralston agit à titre de premier ministre suppléant, L. S. St. Laurent en qualité de secrétaire d'État suppléant aux Affaires extérieures et Hume Wrong en qualité de sous-secrétaire d'État suppléant. Du 23 avril au 14 mai et, à nouveau, du 22 au 27 juin 1945, le Premier ministre séjourna à San Francisco à l'occasion de la conférence de fondation des Nations Unies (25 avril-26 juin). À cette occasion, J. L. Ilsley agit à titre de premier ministre suppléant et Brooke Claxton en qualité de secrétaire d'État suppléant aux Affaires extérieures. Plusieurs fonctionnaires du Ministère, y compris le sous-secrétaire d'État et le sous-secrétaire d'État associé, Hume Wrong, restèrent à San Francisco pendant toute la durée de la conférence; John Read demeura à Ottawa en qualité de sous-secrétaire d'État suppléant. Du 7 octobre au 3 novembre 1945, le Premier ministre et le sous-secrétaire séjournèrent à nouveau à l'étranger, cette fois pour rencontrer des ministres et des fonctionnaires en Grande-Bretagne. À Ottawa, Ilsley fit à nouveau office de premier ministre, St. Laurent de secrétaire d'État aux Affaires extérieures et Wrong de sous-secrétaire. La fin de la guerre en Europe facilita également les déplacements des diplomates postés à l'étranger. C'est ainsi que Vincent Massey, haut commissaire en Grande-Bretagne depuis 1935, put prendre des vacances au Canada du 6 août jusqu'à la première semaine de novembre 1945. Pendant son absence, Frederic Hudd agit à titre de haut commissaire suppléant.

Pendant toute la durée des hostilités, le Comité de guerre du Cabinet prit la plupart des grandes décisions de politique extérieure. Il tint sa dernière rencontre le 11 avril 1945. Pendant que le Premier ministre assistait à la Conférence de fondation des Nations Unies à San Francisco, un comité spécial du Cabinet, dont l'existence fut de courte durée, traita des questions relatives à la guerre. Il se réunit à trois reprises (les 19 et 25 avril et le 16 mai 1945). Après la capitulation du Japon, ce fut l'ensemble du Cabinet qui prit des décisions sur les grandes questions relatives aux politiques.[2]

Les plans établis pour la conduite de la guerre (Chapitre II) se fondaient sur l'attente de progrès en trois étapes : l'assaut en Europe continentale et la défaite de l'Allemagne (étape I), suivi de la concentration de la guerre contre le Japon (étape II) et du rétablissement de l'ordre dans les régions dévastées (étape III). Le principal événement auquel les Canadiens ont participé sur le théâtre européen, l'invasion de la Normandie, appartient principalement au domaine de l'histoire militaire, mais l'annonce que cette invasion avait eu lieu fit l'objet de communications diplomatiques parce que le Canada était mécontent des arrangements relatifs à la publicité qui avaient été pris l'année précédente pour la campagne de Sicile (Volume 9, documents 301-315). Après le jour 'J', la lassitude de la guerre caractéristique de cette période devint de plus en plus évidente. Cela tient peut-être à la crise de la conscription de 1944, qui était avant tout une question intérieure et militaire, mais qui est évoquée ici dans un échange de messages entre le Premier ministre, Churchill et (par l'intermédiaire du général Maurice Pope) Roosevelt (documents 330-332 et

[2]C. P. Stacey, *Armes, hommes et gouvernements: les politiques de guerre du Canada, 1939-1945* (Ottawa, Information Canada, 1970), p. 132.

External Affairs. Several members of the department, including the Under-Secretary and the Associate Under-Secretary, Hume Wrong, were in San Francisco throughout the conference; John Read remained in Ottawa as acting Under-Secretary. From October 7 to November 3, 1945, the Prime Minister and the Under-Secretary were again out of the country, this time for meetings with ministers and officials in Britain. In Ottawa, Ilsley again acted as Prime Minister, St. Laurent as Secretary of State for External Affairs and Wrong as Under-Secretary. Once the war in Europe was over, travel also was easier for diplomats stationed abroad. Thus Vincent Massey, High Commissioner in Great Britain since 1935, was able to take home leave from August 6 until the first week of November 1945. During his absence, Frederic Hudd was acting High Commissioner.

Throughout the war, most major decisions on external policy were taken in the Cabinet War Committee, which held its last meeting on April 11, 1945. During the Prime Minister's absence at the United Nations conference in San Francisco, matters affecting the war were dealt with by a short-lived special committee of the Cabinet, which met on three occasions (April 19 and 25 and May 16, 1945). After the surrender of Japan, the full Cabinet again became the source of decision on major policy matters.[2]

Plans for the conduct of the war (Chapter II) were based on the expectation of progress through three phases: the assault on the continent of Europe and the defeat of Germany (stage I), followed by concentration on the war against Japan (stage II) and the restoration of order in devastated areas (stage III). The major event in which Canadians participated in the European theatre, the invasion of Normandy, lies mainly in the realm of military history, but the announcement that it had taken place was the subject of diplomatic communication because of Canadian dissatisfaction with the publicity arrangements for the Sicilian campaign the previous year (Volume 9, documents 301-315). After D-Day, the war weariness characteristic of the period was increasingly evident. One reason may have been the conscription crisis of 1944, primarily a domestic and military issue but reflected here in an exchange of messages between the Prime Minister and Churchill and (via General Maurice Pope) Roosevelt (documents 330-332 and 336). As the war in Europe drew to a close, the government was concerned to ensure satisfactory arrangements for the repatriation of the forces, on one occasion threatening to recall Canadian cargo vessels employed by Great Britain if no other transportation could be provided (document 356).

In the circumstances, the government was reluctant to make a major commitment to the war against Japan, and was determined that it be confined to the area of most interest to Canada, the northern Pacific. The discussion of this subject is important, reflecting as it does the government's attitude towards Canada's role as a Pacific nation. The outcome, however, had little impact on

[2] C. P. Stacey, *Arms, Men and Governments: The War Policies of Canada, 1939-1945* (Ottawa: Information Canada, 1970), p. 119

336). Au moment où la guerre en Europe tirait à sa fin, le gouvernement avait le souci d'obtenir des arrangements satisfaisants pour le rapatriement de ses forces, allant même, en une occasion, jusqu'à menacer de rappeler les cargos canadiens utilisés par la Grande-Bretagne s'il se révélait impossible d'obtenir d'autres moyens de transport (document 356).

Dans ces circonstances, le gouvernement éprouvait des réticences à prendre de grands engagements pour la guerre contre le Japon, et il tenait à ce que cette guerre soit limitée au secteur qui présentait le plus grand intérêt pour le Canada, le Pacifique-Nord. L'examen de cette question est important, parce qu'elle reflète l'attitude du gouvernement à l'égard du rôle du Canada en qualité de nation du Pacifique. Son aboutissement eut toutefois peu de répercussions sur la guerre, qui prit fin avant que les forces canadiennes puissent y jouer un rôle véritablement significatif.

Un des problèmes les plus pressants qui se présenta à la fin des hostilités consistait à répondre aux besoins des prisonniers de guerre, réfugiés et autres victimes du conflit (Chapitre IV). Avant même la fin de la guerre, le gouvernement canadien, aux prises avec des problèmes de main-d'oeuvre, supportait de plus en plus mal le fardeau de l'hébergement des prisonniers de guerre venus d'Europe, et il accueillit donc avec satisfaction la possibilité de les renvoyer dans leur pays. Le rapatriement des Canadiens capturés à l'étranger était également une question hautement prioritaire. Le gouvernement souhaitait vivement les ramener au pays aussitôt que possible, et il exprima ses grandes inquiétudes lorsqu'il apparut que ces Canadiens étaient sous-représentés dans les premières traversées de l'Atlantique. Les Canadiens naturalisés qui étaient réputés avoir perdu leur nationalité en raison de leur sympathie ouverte pour l'ennemi, toutefois, n'étaient pas les bienvenus, et on fit des efforts pour éviter d'avoir à les prendre en charge.

Il se posa d'autres problèmes difficiles concernant les personnes déplacées par la guerre. L'avenir de la Communauté nippo-canadienne devint une composante importante des relations extérieures à cause de ses répercussions pour le règlement de paix, de ses éventuelles retombées sur les relations avec le Japon, et du besoin de consultations avec les États-Unis. Des préoccupations intérieures au sujet de l'échange de ressortissants entre les alliés occidentaux et l'Union soviétique amenèrent le gouvernement à prendre des renseignements à Washington et à Londres, renseignements qui révélèrent qu'il s'agissait d'une question délicate dans les relations entre les grandes puissances et d'une source éventuelle de difficultés dans le règlement du problème plus général des personnes déplacées. La situation au Canada lui-même militait également en faveur de la discrétion, étant donné que l'opinion dans les communautés concernées était divisée entre partisans et adversaires de l'Union soviétique. Le Canada suivit également une démarche prudente en ce qui concerne l'accueil de réfugiés, parce qu'il n'avait pas encore déterminé la politique qu'il suivrait après la guerre en matière d'immigration.

La fourniture de secours aux pays libérés et aux anciens pays ennemis constituait une dernière tâche à remplir au lendemain immédiat des hostilités (Chapitre V). Dans un premier temps, cette tâche relevait des autorités

the war, which ended before Canadian forces could become significantly involved.

One of the most pressing problems at the end of hostilities was to attend to the needs of prisoners of war, refugees and other victims of the conflict (Chapter IV). Even before the war was over, the Canadian government, beset by manpower problems, had become impatient with the burden of accommodating prisoners of war from Europe, and therefore welcomed the opportunity to return them to their homelands. The repatriation of Canadians caught overseas was also a high priority. The government was anxious to bring them home as quickly as possible, and expressed alarm when it appeared that they were inadequately represented in early crossings of the Atlantic. Naturalized Canadians deemed to have lost their citizenship because of overt sympathy with the enemy, however, were not welcome, and efforts were made to avoid assuming responsibility for them.

There were other difficult questions affecting persons displaced by the war. The future of the Japanese-Canadian community became an important component in external relations because of the implications of the peace settlement, the possible effect on relations with Japan, and the need for consultation with the United States. Domestic concern about the exchange of nationals between the Western Allies and the Soviet Union led the government to make inquiries in Washington and London, which revealed that the subject was a delicate one in great-power relations and a possible cause of difficulty in dealing with the general problem of displaced persons. There was reason at home as well for discretion in taking a public position, since opinion in the communities concerned was divided between supporters and opponents of the Soviet Union. The approach to the accommodation of refugees in Canada was also cautious, because policy on post-war immigration was yet to be decided.

A final task in the immediate aftermath of the fighting was the provision of relief supplies to liberated and former enemy countries (Chapter V). Initially, this was the responsibility of the military authorities, with the result that the United States and Great Britain, through their control of the machinery for directing the Allied war effort, were in charge. Although a major source of supplies, Canada was not comfortable with the decision-making process, particularly as it affected the allocation of costs. More satisfactory was the operation of the agency responsible for the post-military phase of relief, the United Nations Relief and Rehabilitation Administration (UNRRA). Canada's contribution was recognized in September 1944 when the Second Session of the Council assembled in Montreal under the chairmanship of L. B. Pearson. At the Third Session of the Council, in London, Canada received acknowledgment of its importance as a supplier country by being named to the Central Committee, fulfilling an ambition that had been formulated when the organization was established in 1943. As a success for the functional principle, that achievement was a major development in one of the principal themes of Canada's wartime foreign policy.

The selection of documents for this volume was based on the guidelines quoted in the Introduction to Volume 7 (pp. ix-xi). As in Volume 9, a dagger

militaires et, de ce fait, elle fut prise en charge par les États-Unis et par la Grande-Bretagne, par l'intermédiaire de leur contrôle du mécanisme de direction de l'effort de guerre des alliés. Bien qu'il fût une grande source de fourniture, le Canada n'était pas satisfait du processus de prise de décision, particulièrement en ce qui concerne la répartition des coûts. Le Canada fut davantage satisfait du fonctionnement de l'organisme chargé de la phase de secours de l'après-guerre, l'Administration d'assistance et de réadaptation des Nations Unies (UNRRA). La contribution du Canada fut reconnue en septembre 1944 lorsque le Conseil tint sa deuxième session à Montréal sous la présidence de L. B. Pearson. Lors de la troisième session du Conseil, à Londres, on reconnut l'importance du Canada comme pays fournisseur en le nommant au Comité central, ce qui représentait la réalisation d'un voeu qui avait été formulé lors de l'établissement de l'organisation, en 1943. Ce succès, reconnaissance du principe de la représentation fonctionnelle, a constitué une évolution majeure dans l'un des principaux thèmes de la politique étrangère du Canada pendant la guerre.

La sélection des documents pour ce volume s'est faite d'après les lignes directrices énoncées dans l'introduction au volume 7 (pp. viii-x). Tout comme dans le volume 9, les documents inédits sont marqués d'une croix (†); on trouvera à l'introduction de ce volume une explication des autres dispositifs et principes éditoriaux (pp. XVIII-XX). La publication de tous les documents choisis n'a été assujettie à aucune restriction, mais les noms des personnes ont été retirés des documents 912, 955, 958 et 983, ainsi que de l'annexe au document 985.

On trouvera dans les notes de bas de page des renvois à certaines publications susceptibles d'intéresser les lecteurs de ce volume et certaines autres publications sont énumérées dans l'introduction au volume 9 (p. XVIII, n. 1 et p. XXII). Depuis la publication de ce volume, la série connexe sur Terre-Neuve a été complétée avec la publication de *Documents relatifs aux relations entre le Canada et Terre-Neuve* (Volume 2 : 1940-1949, Confédération), préparé sous la direction de Paul Bridle (Ottawa, ministre des Approvisionnements et Services, 1984). Le volume pertinent de l'histoire officielle de l'Aviation royale du Canada, *La création d'une aviation militaire nationale*, par W. A. B. Douglas (Toronto, University of Toronto Press), paraîtra sous peu. Parmi les ouvrages récents traitant de cette période, mentionnons *The Shaping of Peace: Canada and the Search for World Order 1943-1957*, par John W. Holmes (2 tomes, Toronto, University of Toronto Press, 1979 et 1982), et *Canada and the Age of Conflict: A History of Canadian External Policies* (volume 2: 1921-1948, The Mackenzie King Era), par C. P. Stacey (Toronto, University of Toronto Press, 1981). Deux biographies récentes présentent également un intérêt particulier : J. L. Granatstein, *A Man of Influence: Norman A. Robertson and Canadian Statecraft 1929-1968* (Ottawa, Deneau Publishers, 1981) et Claude Bissell, *The Imperial Canadian: Vincent Massey in Office* (Toronto, University of Toronto Press, 1986).

JOHN F. HILLIKER

(†) is used to indicate that a document has not been printed; an explanation of other editorial devices and principles will be found in the Introduction to that volume (p. XIX). No restrictions were placed on the publication of any document selected, but the names of individual persons have been removed from documents 912, 955, 958 and 983, and from the enclosure to document 985.

Some publications of interest to readers of this volume are mentioned in the footnotes and others will be found listed in the Introduction to Volume 9 (p. XIX, n. 1 and p. XXI). Since that volume appeared, the companion series on Newfoundland has been completed with the publication of *Documents on relations between Canada and Newfoundland* (Volume 2: 1940-1949, Confederation), edited by Paul Bridle (Ottawa, Minister of Supply and Services, 1984). Also now available is the relevant volume of the official history of the Royal Canadian Air Force, *The creation of a National Air Force*, by W. A. B. Douglas (Toronto: University of Toronto Press, 1986). Among other recently available works dealing with the period are *The Shaping of Peace: Canada and the search for world order 1943-1957*, by John W. Holmes (2 volumes, Toronto: University of Toronto Press, 1979 and 1982), and *Canada and the Age of Conflict: A History of Canadian External Policies*, (Volume 2: 1921-1948, The Mackenzie King Era) by C. P. Stacey (Toronto: University of Toronto Press, 1981). Of particular interest as well are two recent biographies: J. L. Granatstein, *A Man of Influence: Norman A. Robertson and Canadian Statecraft 1929-68*, (Ottawa: Deneau Publishers, 1981), and Claude Bissell, *The Imperial Canadian: Vincent Massey in Office*, (Toronto: University of Toronto Press, 1986).

JOHN F. HILLIKER

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Eric Gilmour a, avant son départ à la retraite, assuré la direction de la première sélection de documents pour le présent volume. Il a fourni une précieuse contribution à la préparation de l'ouvrage, tout comme F. J. McEvoy, qui a participé avec M. Gilmour et moi-même au choix et à l'annotation des documents. M. McEvoy est donc celui qui a participé le plus longuement à la mise au point de ce volume et il a assuré, élément des plus précieux, la continuité; il a également préparé la Liste des personnalités, les pages hors-texte et l'index. Je remercie de son intérêt et de son soutien A. F. Hart, qui était directeur de l'ancienne Direction historique pendant qu'était en cours la recherche en vue de la préparation du présent volume. Michel Rossignol a entrepris la préparation technique. Celle-ci a été menée à bien, sous la direction de E. A. Kelly, avec le souci de la perfection qui a caractérisé le travail de M. Rossignol sur un certain nombre d'ouvrages de la série, par Isobel Cameron, Dawn Jones et Margaret Mitchell, qui ont également assuré la correction des épreuves. Il convient de remercier tout particulièrement le Centre de traitement de texte du ministère des Affaires extérieures, où le manuscrit a été produit sous la direction d'Aline Gélineau, et Gail MacDonald, qui a assuré la coordination. Je garde, bien sûr, la seule responsabilité des omissions et erreurs de préparation des documents ainsi que des opinions exprimées dans l'introduction.

Les documents publiés ici proviennent, outre les archives du ministère des Affaires extérieures, de diverses sources, qui sont indiquées dans la liste de provenance des documents. J'ai largement bénéficié de l'aide du personnel des services concernés: Jeannette Fournier et ses collègues de la Direction de la gestion de l'information documentaire du ministère des Affaires extérieures; les Archives nationales du Canada, les Archives de Queen's University, et le bibliothécaire du Massey College, à Toronto, Desmond Neill. Je suis reconnaissant à M. Robertson Davies, professeur émérite au Massey College, de m'avoir autorisé à consulter les documents de Vincent Massey et à publier le document 321.

ACKNOWLEDGMENTS

The initial selection of documents for this volume was carried out under the supervision of Eric Gilmour before his retirement from the department. His work has been of great value in preparing this volume, as has been that of F. J. McEvoy, who was associated with both Mr. Gilmour and me in the selection and annotation of documents. Mr. McEvoy therefore has the longest involvement with the volume and has provided a most valuable element of continuity; he also prepared the List of Persons, the endpapers and the index. I am grateful for his interest and support to A. F. Hart, who was director of the former Historical Division when the research for this volume was underway. The technical preparation was begun by Michel Rossignol. Under the supervision of E. A. Kelly it was completed, to the high standard set by Mr. Rossignol in a number of volumes in this series, by Isobel Cameron, Dawn Jones and Margaret Mitchell, who also did the proofreading. Special thanks are due to the Department of External Affairs Word Processing Centre, where the manuscript was produced under the direction of Aline Gélineau, and to Gail MacDonald, who coordinated the flow of paper. I of course am alone responsible for omissions and errors in the editing of the documents, and for the opinions expressed in this introduction.

The documents published here are drawn from a variety of sources in addition to the records of the Department of External Affairs. These are shown in the Location of Documents list. I was greatly assisted by staff members of all the repositories involved: Jeannette Fournier and her colleagues in the Records Information Management Division of the Department of External Affairs, the National Archives of Canada, Queen's University Archives, and the librarian of Massey College, Toronto, Desmond Neill. I am grateful to the Master Emeritus of Massey College, Professor Robertson Davies, for permission to consult the Vincent Massey Papers and to publish document 321.

LISTE DES ABRÉVIATIONS
LIST OF ABBREVIATIONS

AFHQ	Allied Force Headquarters
BCATP	British Commonwealth Air Training Plan
CAOF	Canadian Army Occupation Force
CAS	Chief of the Air Staff
CCAC	Combined Civil Affairs Committee
CCOS	Combined Chiefs of Staff
CFB	Combined Food Board
CGS	Chief of General Staff
CJS	Canadian Joint Staff
CJSM	Canadian Joint Staff Mission
CLAC	Combined Liberated Areas Committee
CMHQ	Canadian Military Headquarters, London
CNS	Chief of the Naval Staff
COS	Chiefs of Staff
CPRD	Combined Production and Resources Board
CRMB	Combined Raw Materials Board
CSC	Chiefs of Staff Committee
EAC	European Advisory Commission
FCNL	French Committee of National Liberation
FEA	Foreign Economic Administration
FECB	Foreign Exchange Control Board
ILO	International Labour Organization
JSM	Joint Staff Mission
NDHQ	National Defence Headquarters
NRMA	National Resources Mobilization Act
NSHQ	Naval Service Headquarters
OWI	Office of War Information
QMG	Quartermaster — General
SACMED	Supreme Allied Commander, Mediterranean Theatre
SACSEA	Supreme Allied Commander, South-East Asia
SCAEF	Supreme Commander, Allied Expeditionary Force
SCAP	Supreme Commander, Allied Powers
SHAEF	Supreme Headquarters, Allied Expeditionary Force
UNRRA	United Nations Relief and Rehabilitation Administration
UNWCC	United Nations War Crimes Commission
WIB	Wartime Information Board
WPTB	Wartime Prices and Trade Board

PROVENANCE DES DOCUMENTS[3]
LOCATION OF DOCUMENTS[3]

Documents de C. D. Howe, Archives nationales (MG 27 III B20	C.D.H.	C. D. Howe Papers, National Archives (MG 27 III B20)
Documents de C. G. Power, Archives de l'université Queen's, Kingston (Ontario)	C.G.P.	C. G. Power Papers, Queen's University Archives, Kingston, Ontario
Dossiers de Canada House, Londres, Archives nationales (Rg 25, A12)	CH	Canada House, London, Files, National Archives (RG 25, A12)
Dossiers du ministère des Affaires extérieures[4]	DEA	Department of External Affairs Files[4]
Dossiers du ministère des Finances, Archives nationales (RG 19)	DF	Department of Finance Files, National Archives (RG 19)
Dossiers du ministère de la Défense nationale, Archives nationales (RG 24)	DND	Department of National Defence Files, National Archives (RG 24)
Dossiers du ministère du Commerce, Archives nationales (TG 20)	DTC	Department of Trade and Commerce Files, National Archives (RG 20)
Documents de J. L. Ralston, Archives nationales (MG 27 III B11)	J.L.R.	J. L. Ralston Papers, National Archives (MG 27 III B11)
Dossiers du Comité d'aide mutuelle, Archives nationales (RG 36, 21)	MAB	Mutual Aid Board Files, National Archives (RG 36, 21)
Dossiers du Bureau du Conseil privé, Archives nationales (RG 2)	PCO	Privy Council Office Files, National Archives (RG 2)
Bureau des archives publiques, Londres, Angleterre	PRO	Public Record Office, London, England

[3]Ceci est une liste des symboles utilisés pour indiquer la provenance des documents. Les cotes des collections déposées aux Archives nationales du Canada sont entre parenthèses.
This is a list of the symbols used to indicate the location of the documents. The call numbers of collections deposited at the National Archives of Canada are in parentheses.

[4]Au moment d'aller sous presse, certains des dossiers du ministère des Affaires extérieures utilisés aux fins du présent volume avaient déjà été transférés aux Archives nationales; d'autres étaient toujours sous la garde du Ministère.
At this time of publication some of the Department of External Affairs files used had been transferred to the National Archives while some remained in the custody of the Department.

Documents de Vincent Massey, College Massey, Toronto, (Ontario)	V.M.	Vincent Massey Papers, Massey College, Toronto, Ontario.
Documents de W. L. Mackenzie King, Archives nationales (notes et mémorandums: MG 26 J4; lettres: MG 26 J1)	W.L.M.K.	W. L. Mackenzie King Papers, National Archives (notes and memoranda: MG 26 J4; letters: MG 26 J1)

LISTE DES PERSONNALITÉS[5]
LIST OF PERSONS[5]

ABBOTT, Douglas C., ministre de la Défense nationale pour les Services navals, 1945-1946; ministre de la Défense nationale, 1945-1946.

ACHESON, Dean, secrétaire d'État adjoint, États-Unis, 1941-1945; sous-secrétaire d'État, 1945-1947.

ADDISON, Vicomte, secrétaire d'État aux Dominions, Grande-Bretagne, 1945-1947.

ALLEN, S. V., secrétaire adjoint aux affaires commerciales, ambassade aux États-Unis, 1942-1945; secrétaire aux affaires commerciales, 1945-1946; secrétaire canadien, Comité conjoint d'aide en temps de guerre, 1943-1945.

ANGUS, H. F., adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures, 1941-1945.

ATHERTON, Ray, ambassadeur des États-Unis, 1943-1948.

ATHLONE, Comte, d'; gouverneur général, 1940-1946.

ATTLEE, Clement R., Premier ministre adjoint, Grande-Bretagne, 1942-1945; Lord Président du Conseil, 1943-1945; Premier ministre, 1945-1951.

BALFOUR, capitaine H. H., sous-secrétaire d'État parlementaire pour l'Air, Grande-Bretagne, 1938-1944; ministre résident en Afrique occidentale, 1944-1945.

BARTON, D[r] George S., sous-ministre de l'Agriculture, 1942-1949.

BATEMAN, G. C., contrôleur des métaux, ministère des Munitions et des Approvisionnements, 1940-1944; contrôleur associé des métaux et membre adjoint pour le Canada, Commission composée de la production et des ressources, 1944-1946.

ABBOTT, Douglas C., Minister of National Defence for Naval Services, 1945-46; Minister of National Defence, 1945-46.

ACHESON, Dean, Assistant Secretary of State, United States, 1941-45; Under-Secretary of State, 1945-47.

ADDISON, Viscount, Secretary of State for Dominion Affairs, Great Britain, 1945-47.

ALLEN, S. V., Assistant Commercial Secretary, Embassy in United States, 1942-45; Commercial Secretary, 1945-46; Canadian Secretary, Joint War Aid Committee, 1943-45.

ANGUS, H. F., Special Wartime Assistant to Under-Secretary of State for External Affairs, 1941-45.

ATHERTON, Ray, Ambassador of United States, 1943-48.

ATHLONE, Earl of, Governor General, 1940-46.

ATTLEE, Clement R., Deputy Prime Minister, Great Britain, 1942-45; Lord President of the Council, 1943-45; Prime Minister, 1945-51.

BALFOUR, Captain H. H., Parliamentary Under-Secretary of State for Air, Great Britain, 1938-44; Minister Resident in West Africa, 1944-45.

BARTON, Dr. George S., Deputy Minister of Agriculture, 1942-49.

BATEMAN, G. C., Metals Controller, Department of Munitions and Supply, 1940-44; Associate Metals Controller and Canadian Deputy Member, Combined Production and Resources Board, 1944-46.

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[5]Ceci est une sélection des principales personnalités canadiennes et de certaines personnalités de l'étranger souvent mentionnées dans les documents. Les notices biographiques se limitent aux fonctions qui se rapportent aux documents reproduits dans ce volume.
This is a selection of important Canadian personalities and some foreign personalities often mentioned in the documents. The biographical details refer only to the positions pertinent to the documents printed herein.

BATT, W. L., représentant américain, Commission composée des matières premières; président adjoint, Commission de la production de guerre; représentant américain, Commission composée de la production et des ressources; représentant américain, Comité conjoint canado-américain de la production.

BERLE, A. A., secrétaire d'État adjoint, États-Unis, 1938-1944; ambassadeur des États-Unis au Brésil, 1945-1946

BEVIN, Ernest, ministre de la Main-d'oeuvre et du Service national, Grande-Bretagne, 1940-1945; secrétaire d'État aux Affaires étrangères, 1945-1951.

BIDAULT, Georges, ministre des Affaires étrangères, gouvernement provisoire de France, 1944-1946.

BONNEAU, Gabriel, délégué du Comité national français au Canada, 1942-1944.

BRAND, R. H., chef, mission alimentaire britannique, Washington, 1941-1944; représentant du Trésor à Washington, 1944-1946; président, Conseil d'approvisionnement britannique en Amérique du Nord, 1945-1946.

BREADNER, maréchal de l'Air L. S., commandant en chef, quartier général de l'Aviation royale du Canada outre-mer, 1944-1945.

BROOKE, feld-maréchal Sir Alan Francis, chef de l'état-major impérial, 1941-1946; aide-de-camp général auprès du Roi, 1942-1946.

BRYCE, R. B., économiste, ministère des Finances, 1938-1946.

BURCHELL, C. J., haut commissaire à Terre-Neuve, 1941-1944; haut commissaire en Afrique du Sud, 1944-1945.

BYRNES, James F., secrétaire d'État, États-Unis, 1945-1947.

CADOGAN, Sir Alexander, sous-secrétaire d'État permanent aux Affaires étrangères, Grande-Bretagne, 1938-1946.

CAMPBELL, Sir Gerald, ministre, ambassade de Grande-Bretagne aux États-Unis, 1942-1945.

CAMPBELL, Sir Ronald, ministre, ambassade de Grande-Bretagne aux États-Unis, 1941-1945; sous-secrétaire d'État adjoint au Foreign Office, 1945-1946; adjoint auprès du secrétaire d'État aux Affaires étrangères, Conseil des ministres des Affaires étrangères, 1945-1946.

BATT, W. L., United States Representative, Combined Raw Materials Board; Vice Chairman, War Production Board; United States Representative, Combined Production and Resources Board; United States Representative, United States-Canada Joint Production Committee.

BERLE, A. A., Assistant Secretary of State, United States, 1938-44; Ambassador of United States in Brazil, 1945-46

BEVIN, Ernest, Minister of Labour and National Service, Great Britain, 1940-45; Foreign Secretary, 1945-51.

BIDAULT, Georges, Minister of Foreign Affairs, Provisional Government of France, 1944-46.

BONNEAU, Gabriel, Delegate of French National Committee in Canada, 1942-44.

BRAND, R. H., Head, British Food Mission, Washington, 1941-44; Representative of Treasury in Washington, 1944-46; Chairman, British Supply Council in North America, 1945-46.

BREADNER, Air Marshal L. S., Air Officer Commanding-in-Chief, Headquarters, Royal Canadian Air Force Overseas, 1944-45.

BROOKE, Field Marshal Sir Alan Francis, Chief of Imperial General Staff, 1941-46; Aide-de-camp General to the King, 1942-46.

BRYCE, R. B., Economist, Department of Finance, 1938-46.

BURCHELL, C. J., High Commissioner in Newfoundland, 1941-44; High Commissioner in South Africa, 1944-45.

BYRNES, James, F., Secretary of State, United States, 1945-47.

CADOGAN, Sir Alexander, Permanent Under-Secretary of State for Foreign Affairs, Great Britain, 1938-46.

CAMPBELL, Sir Gerald, Minister, Embassy of Great Britain in United States, 1942-45.

CAMPBELL, Sir Ronald, Minister, Embassy of Great Britain in United States, 1941-45; Assistant Under-Secretary of State in the Foreign Office, 1945-46; Deputy to Secretary of State for Foreign Affairs on Council of Foreign Ministers, 1945-46.

CHAPDELAINE, Jean, deuxième secrétaire, ministère des Affaires extérieures, 1943-1945 (détaché auprès du Bureau du Conseil privé, 1943-1944); adjoint du sous-secrétaire d'État aux Affaires extérieures, 1945-1946.

TCHANG Kai-chek, généralissime, président, Conseil national suprême de la défense, Chine, 1939-1947; président, Conseil national des affaires militaires, 1932-1946; président, Yuan exécutif, 1939-1945; président, gouvernement national de la République de Chine, 1943-1948.

CLARK, Lewis, premier secrétaire, légation (puis ambassade) des États-Unis, 1942-1945; conseiller, 1945-1946.

CLARK, W. C., sous-ministre des Finances et secrétaire du Conseil du Trésor, 1932-1952.

CLAXTON, Brooke, adjoint parlementaire au président du Conseil privé, 1943-1944; ministre de la Santé nationale et du Bien-être social, 1944-1946.

COYNE, J. E., adjoint exécutif du gouverneur de la Banque du Canada, 1945-1949.

CRANBORNE, Lord, secrétaire aux Dominions, Grande-Bretagne, 1943-1945; leader de la Chambre des Lords, 1942-1945.

CRERAR, général H. D. G., officier général commandant le premier corps canadien, 1942-1944; officier général commandant en chef, la première armée canadienne, 1944-1945.

CRERAR, Thomas A., ministre des Mines et des Ressources, 1936-1945.

CRIPPS, Sir Stafford, ministre de la Production aéronautique, Grande-Bretagne, 1942-1945.

DAVILA, H. F., consul général du Pérou, 1941-1944.

DAVIS, T. C., haut commissaire en Australie, 1942-1946.

DE GAULLE, général Charles, président, Comité français de libération nationale, 1943-1944; chef du gouvernement provisoire de la République française et chef des forces armées, 1944-1945; Président, ministre de la Défense nationale et chef des Armées, 1945-1946.

DE HAUTECLOCQUE, Jean-Marie François, ambassadeur de France, 1945-1947.

DEL RIO, Francisco, ambassadeur du Mexique, 1944-1946.

DÉSY, Jean, ministre au Brésil, 1941-1944; ambassadeur, 1944-1947.

CHAPDELAINE, Jean, Second Secretary, Department of External Affairs, 1943-45 (seconded to Privy Council Office, 1943-44); Assistant to Under-Secretary of State for External Affairs, 1945-46.

CHIANG Kai-Shek, Generalissimo, Chairman, Supreme National Defence Council of China, 1939-47; Chairman, National Military Affairs Council, 1932-46; President, Executive Yuan, 1939-45; Chairman, National Government of Republic of China, 1943-48.

CLARK, Lewis, First Secretary, Legation (later Embassy) of United States, 1942-45; Counsellor, 1945-46.

CLARK, W. C., Deputy Minister of Finance and Secretary of the Treasury Board, 1932-52.

CLAXTON, Brooke, Parliamentary Assistant to the President of the Privy Council, 1943-44; Minister of National Health and Welfare, 1944-46.

COYNE, J. E., Executive Assistant to Governor of Bank of Canada, 1945-49.

CRANBORNE, Viscount, Secretary of State for Dominion Affairs of Great Britain, 1943-45; Leader of the House of Lords, 1942-45.

CRERAR, General H. D. G., General Officer Commanding First Canadian Corps, 1942-44; General Officer Commanding-in-Chief, First Canadian Army, 1944-45.

CRERAR, Thomas A., Minister of Mines and Resources, 1936-45.

CRIPPS, Sir Stafford, Minister of Aircraft Production, Great Britain, 1942-45.

DAVILA, H. F., Consul-General of Peru, 1941-44.

DAVIS, T. C., High Commissioner in Australia, 1942-46.

DE GAULLE, General Charles, President, French Committee of National Liberation, 1943-44; Head of French Provisional Government and Chief of Armed Forces, 1944-45; President, Minister of National Defence and Head of the Armies, 1945-46.

DE HAUTECLOCQUE, Jean Marie François, Ambassador of France, 1945-47.

DEL RIO, Francisco, Ambassador of Mexico, 1944-46.

DÉSY, Jean, Minister in Brazil, 1941-44; Ambassador, 1944-47.

DILL, feld-maréchal Sir John, représentant de Grande-Bretagne, Comité des chefs des états-majors conjoints, Washington, 1942-1944.

DUFF, Sir Patrick, haut commissaire adjoint de Grande-Bretagne, 1941-1944.

DUNTON, A. Davidson, directeur, Commission d'information en temps de guerre, 1944-1945.

DUPUY, Pierre, chargé d'affaires, légation auprès des gouvernements alliés à Londres, 1943-1944; chargé d'affaires, légation auprès de la Belgique, 1944-1945; ministre (puis ambassadeur) aux Pays-Bas, 1945-1952.

EDEN, Anthony, secrétaire d'État aux Affaires étrangères, Grande-Bretagne, 1940-1945; leader de la Chambre des communes, 1942-1945.

EISENHOWER, général Dwight D., commandant en chef, forces alliées en Afrique du Nord, 1942-1944; commandant suprême, force expéditionnaire alliée en Europe occidentale, 1944-1945; commandant, zone d'occupation américaine en Allemagne, 1945; chef d'état-major, Armée des États-Unis, 1945-1948.

ENGLISH, J. N., directeur, Direction de la planification des exportations, ministère du Commerce, 1943-1946.

EVATT, H. V., ministre des Affaires extérieures et procureur général d'Australie, 1941-1949.

FOULKES, lieutenant-général Charles, chef d'état-major, première armée canadienne, 1943-1944; major-général commandant la 2e division d'infanterie canadienne, 1944; premier corps canadien, 1944-1945; chef d'état-major général, 1945-1951.

FRASER, Karl, directeur de l'administration, Commission d'aide mutuelle, 1943-1946.

GARDINER, J. G., ministre de l'Agriculture, 1935-1957.

GIBSON, Colin, ministre du Revenu national, 1940-1945; ministre adjoint de la Défense nationale pour l'Air, 1945; ministre, 1945-1946.

GILL, lieutenant-colonel E. W. T., secrétaire du Comité des chefs d'état-major et membre du secrétariat du Cabinet, 1944-1946.

GLAZEBROOK, G. P. de T., adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures, 1942-1946.

GORDON, Donald, président, Commission de contrôle des prix et du commerce en temps de guerre, 1941-1947.

DILL, Field Marshal Sir John, Representative of Great Britain, Combined Chiefs of Staff Committee, Washington, 1942-44.

DUFF, Sir Patrick, Deputy High Commissioner of Great Britain, 1941-44.

DUNTON, A. Davidson, General Manager, Wartime Information Board, 1944-45.

DUPUY, Pierre, Chargé d'Affaires, Legation to Allied Governments in London, 1943-44; Chargé d'Affaires, Legation in Belgium, 1944-45; Minister (later Ambassador) in The Netherlands, 1945-52.

EDEN, Anthony, Secretary of State for Foreign Affairs, Great Britain, 1940-45; Leader of the House of Commons, 1942-45.

EISENHOWER, General Dwight D., Commander-in-Chief, Allied Forces in North Africa, 1942-44; Supreme Commander, Allied Expeditionary Force in Western Europe, 1944-45; Commander, American Occupation Zone of Germany, 1945; Chief of Staff, United States Army, 1945-48.

ENGLISH, J. N., Director, Export Planning Division, Department of Trade and Commerce, 1943-46.

EVATT, H. V., Minister for External Affairs and Attorney-General of Australia, 1941-49.

FOULKES, Lieutenant-General Charles, Chief of Staff, First Canadian Army, 1943-44; Major-General Commanding Second Canadian Infantry Division, 1944; First Canadian Corps, 1944-45; Chief of the General Staff, 1945-51.

FRASER, Karl, Director of Administration, Mutual Aid Board, 1943-46.

GARDINER, J. G., Minister of Agriculture, 1935-57.

GIBSON, Colin, Minister of National Revenue, 1940-45; Acting Minister of National Defence for Air, 1945; Minister, 1945-46.

GILL, Lieutenant Colonel E. W. T., Secretary to Chiefs of Staff Committee and Member of Cabinet Secretariat, 1944-46.

GLAZEBROOK, G. P. de T., Special Wartime Assistant to the Under-Secretary of State for External Affairs, 1942-46.

GORDON, Donald, Chairman, Wartime Prices and Trade Board, 1941-47.

GOUSEV, Feodor, ambassadeur de l'Union soviétique en Grande-Bretagne, 1943-1946.

GROVE, Dr Eduardo, ministre du Chili, 1942-1944; ambassadeur, 1944-1945.

HALIFAX, Vicomte, ambassadeur de Grande-Bretagne aux États-Unis, 1941-1946.

HARRIMAN, W. Averell, ambassadeur des États-Unis en Union soviétique, 1943-1946.

HEASMAN, G. R., chef du Bureau des permis d'exportation, ministère du Commerce, et directeur adjoint de l'Administration de l'aide mutuelle, 1941-1945; directeur du Service des délégués commerciaux, 1945-1953.

HEENEY, A. D. P., greffier du Conseil privé et secrétaire du Cabinet, 1940-1949.

HOLMES, J. W., adjoint, ministère des Affaires extérieures, 1943-1944; deuxième secrétaire, haut commissariat en Grande-Bretagne, 1945-1947.

HOLMES, Stephen, représentant du Dominions Office à Washington, 1943-1944; haut commissaire adjoint de Grande-Bretagne, 1944-1946.

HOPKINS, lieutenant-colonel d'aviation E. R., secrétaire, Comité consultatif des crimes de guerre, 1945; Direction des affaires juridiques, ministère des Affaires extérieures, 1945-1946.

HOPKINS, Harry L., conseiller et adjoint du Président des États-Unis, 1941-1945.

HOWE, C. D., ministre des Munitions et des Approvisionnements, 1940-1945; ministre de la Reconstruction, 1944-1945.

HUDD, Frederic, secrétaire par intérim, haut commissariat en Grande-Bretagne, 1941-1947.

HULL, Cordell, secrétaire d'État des États-Unis, 1933-1944.

HUTTON, Maurice, chef, mission alimentaire britannique en Amérique du Nord, 1944-1948; représentant de la Grande-Bretagne, Commission composée des denrées alimentaires, 1944-1946; représentant de la Grande-Bretagne, Conseil mondial du blé, 1944-1948.

IGNATIEFF, George, deuxième secrétaire, haut commissariat en Grande-Bretagne, 1943-1944; deuxième secrétaire, ministère des Affaires extérieures, 1944-1946.

ILSLEY, J. L., ministre des Finances et Receveur général, 1940-1946.

GOUSEV, Feodor, Ambassador of Soviet Union in Great Britain, 1943-46.

GROVE, Dr. Eduardo, Minister of Chile, 1942-44; Ambassador, 1944-45.

HALIFAX, Viscount, Ambassador of Great Britain in United States, 1941-46.

HARRIMAN, W. Averell, Ambassador of United States in Soviet Union, 1943-46.

HEASMAN, G. R., Chief of Export Permit Bureau, Department of Trade and Commerce, and Assistant Director of Mutual Aid Administion, 1941-45; Director of Trade Commissioner Service, 1945-53.

HEENEY, A. D. P., Clerk of the Privy Council and Secretary to the Cabinet, 1940-49.

HOLMES, J. W., Assistant, Department of External Affairs, 1943-44; Second Secretary, High Commission in Great Britain, 1945-47.

HOLMES, Stephen, Dominions Office Representative in Washington, 1943-44; Deputy High Commissioner of Great Britain, 1944-46.

HOPKINS, Wing Commander, E. R., Secretary, War Crimes Advisory Committee, 1945; Legal Division, Department of External Affairs, 1945-46.

HOPKINS, Harry L., Adviser and Assistant to President of the United States, 1941-45.

HOWE, C. D., Minister of Munitions and Supply, 1940-45; Minister of Reconstruction, 1944-45.

HUDD, Frederic, Acting Secretary, High Commission in Great Britain, 1941-47.

HULL, Cordell, Secretary of State of the United States, 1933-44.

HUTTON, Maurice, Head, British Food Mission in North America, 1944-48; British Member, Combined Food Board, 1944-46; British Member, International Wheat Council, 1944-48.

IGNATIEFF, George, Second Secretary, High Commission in Great Britain, 1943-44; Second Secretary, Department of External Affairs, 1944-46.

ILSLEY, J. L., Minister of Finance and Receiver General, 1940-46.

ISMAY, général Sir Hastings L., chef de Cabinet du ministre de la Défense, Grande-Bretagne, 1940-1946; secrétaire adjoint (Affaires militaires) du Cabinet de guerre, 1940-1945; secrétaire supplémentaire (Affaires militaires) du Cabinet, 1945-1947.

JACCARD, G., consul général de Suisse, Montréal, 1934-1946.

JEBB, Gladwyn, conseiller, Foreign Office de Grande-Bretagne, 1943-1945.

JONES, vice-amiral G. C., chef d'état-major naval, 1944-1946.

KEARNEY, John, haut commissaire en Irlande, 1941-1945; ministre en Norvège, 1945-1946.

KEENLEYSIDE, H. L., sous-secrétaire d'État adjoint aux Affaires extérieures, 1941-1944; haut commissaire par intérim à Terre-Neuve, 1944; ambassadeur au Mexique, 1944-1947.

KEYNES, Lord, conseiller, Trésor de Grande-Bretagne, 1940-1946.

KING, amiral Ernest J., chef des Opérations navales, États-Unis, 1942-1945.

KING, William Lyon Mackenzie, Premier ministre et président du Conseil privé, 1935-1948; secrétaire d'État aux Affaires extérieures, 1935-1946.

KNOX, Franklin, secrétaire de la Marine, États-Unis, 1940-1944.

LA FLÈCHE, L. R., ministre des Services nationaux de guerre, 1942-1945; ambassadeur en Grèce, 1945-1949.

LAUREYS, Dr Henry, haut commissaire en Afrique du Sud, 1940-1944; ambassadeur au Pérou, 1944-1947.

LAW, Richard, ministre d'État, Grande-Bretagne, 1943-1945; ministre de l'Éducation, 1945; président du Council of British Societies for Relief Abroad, 1945-1949.

LEAHY, amiral William D., chef du Cabinet du Président des États-Unis, 1942-1949.

LECKIE, maréchal de l'Air Robert, chef par intérim de l'état-major de l'Air, 1943-1944; chef, 1944-1947.

LEHMAN, Herbert H., directeur général, Office de secours et de réadaptation des Nations Unies (UNRRA), 1943-1946.

LEITH-ROSS, Sir Frederick, conseiller économique principal auprès du gouvernement britannique, 1932-1946; directeur général adjoint de l'UNRRA, 1944-1945; président du Comité européen du conseil, UNRRA, 1945-1946.

ISMAY, General Sir Hastings L., Chief of Staff to Minister of Defence, Great Britain, 1940-46; Deputy Secretary (Military) to War Cabinet 1940-45; Additional Secretary (Military) of the Cabinet, 1945-47.

JACCARD, G., Consul-General of Switzerland, Montreal, 1934-46.

JEBB, Gladwyn, Counsellor, Foreign Office of Great Britain, 1943-45.

JONES, Vice-Admiral G. C., Chief of the Naval Staff, 1944-46.

KEARNEY, John, High Commissioner in Ireland, 1941-45; Minister in Norway, 1945-46.

KEENLEYSIDE, H. L., Assistant Under-Secretary of State for External Affairs, 1941-44; Acting High Commissioner in Newfoundland 1944; Ambassador in Mexico, 1944-47.

KEYNES, Lord, Adviser, Treasury of Great Britain, 1940-46.

KING, Admiral Ernest J., Chief of Naval Operations, United States, 1942-45.

KING, William Lyon Mackenzie, Prime Minister and President of the Privy Council, 1935-48; Secretary of State for External Affairs, 1935-46.

KNOX, Franklin, Secretary of the Navy, United States, 1940-44.

LA FLÈCHE, L. R., Minister of National War Services, 1942-45; Ambassador in Greece, 1945-49.

LAUREYS, Dr. Henry, High Commissioner in South Africa, 1940-44; Ambassador in Peru, 1944-47.

LAW, Richard, Minister of State, Great Britain, 1943-45; Minister of Education, 1945; Chairman of Council of British Societies for Relief Abroad, 1945-49.

LEAHY, Admiral William D., Chief of Staff to the President of the United States, 1942-49.

LECKIE, Air Marshal Robert, Acting Chief of the Air Staff, 1943-44; Chief, 1944-47.

LEHMAN, Herbert H., Director General, United Nations Relief and Rehabilitation Administration (UNRRA), 1943-46.

LEITH-ROSS, Sir Frederick, Chief Economic Advisor to British Government, 1932-46; Deputy Director-General of UNRRA, 1944-45; Chairman of European Committee of Council, UNRRA, 1945-46.

LEPAN, D. V., deuxième secrétaire, haut commissariat en Grande-Bretagne, 1945-1946.

LETSON, major-général H. F. G., adjudant général, 1942-1944; président, mission canadienne de l'état-major conjoint, Washington, 1944-1946.

LIESCHING, Sir Percivale, deuxième secrétaire, ministère du Commerce, Grande-Bretagne, 1942-1946.

LLEWELLIN, John J., ministre de l'Alimentation, Grande-Bretagne, 1943-1945.

LYTTLETON, Oliver, ministre de la Production, Grande-Bretagne, 1942-1945.

MACARTHUR, général Douglas, commandant en chef des forces alliées, région du Pacifique Sud-Ouest, 1942-1945; commandant en chef, forces des États-Unis, commandement d'Extrême-Orient, 1945-1951; commandant suprême, Puissances alliées au Japon, 1945-1951.

MACDONALD, Malcolm, haut commissaire de Grande-Bretagne, 1941-1946.

MACDONALD, Angus L., ministre de la Défense nationale pour les Services navals, 1940-1945.

MACDONNELL, R. M., premier secrétaire, ministère des Affaires extérieures, 1943-1947; membre, Commission permanente canado-américaine de défense, 1944-1947.

MACKINTOSH, W. A., adjoint spécial du sous-ministre des Finances, 1939-1944; directeur général, recherche économique, ministère de la Reconstruction, 1944-1946.

MACKINNON, J. A., ministre du Commerce, 1940-1948.

MARSHALL, général George C., chef d'état-major, Armée des États-Unis, 1939-1945; représentant spécial du Président auprès de la Chine, avec rang d'ambassadeur, 1945-1947.

MASSEY, Vincent, haut commissaire en Grande-Bretagne, 1935-1946.

MASTER, Oliver, sous-ministre adjoint, ministère du Commerce, 1941-1957; sous-ministre par intérim, 1942-1945.

MATTHEWS, W. D., adjoint spécial du sous-secrétaire d'État aux Affaires extérieures (agent d'administration principal), 1943-1948.

MCCARTHY, Leighton, ministre aux États-Unis, 1941-1944; ambassadeur, 1944-1945.

LEPAN, D. V., Second Secretary, High Commission in Great Britain, 1945-46.

LETSON, Major General H. F. G., Adjutant-General, 1942-44; Chairman, Canadian Joint Staff, Washington, 1944-46.

LIESCHING, Sir Percivale, Second Secretary, Board of Trade, Great Britain, 1942-46.

LLEWELLIN, John J., Minister of Food, Great Britain, 1943-45.

LYTTLETON, Oliver, Minister of Production, Great Britain, 1942-45.

MACARTHUR, General Douglas, Commander-in-Chief of Allied Forces, South-West Pacific Area, 1942-45; Commander-in-Chief, United States Forces, Far East Command, 1945-51; Supreme Commander, Allied Powers in Japan, 1945-51.

MACDONALD, Malcolm, High Commissioner of Great Britain, 1941-46.

MACDONALD, Angus L., Minister of National Defence for Naval Services, 1940-45.

MACDONNELL, R. M., First Secretary, Department of External Affairs, 1943-47; Member, Permanent Joint Board on Defence, 1944-47.

MACKINTOSH, W. A., Special Assistant to Deputy Minister of Finance, 1939-44; Director General, Economic Research, Department of Reconstruction, 1944-46.

MACKINNON, J. A., Minister of Trade and Commerce, 1940-48.

MARSHALL, General George C., Chief of Staff, United States Army, 1939-45; Special Representative of the President to China with personal rank of Ambassador, 1945-47.

MASSEY, Vincent, High Commissioner in Great Britain, 1935-46.

MASTER, Oliver, Assistant Deputy Minister, Department of Trade and Commerce, 1941-57; Acting Deputy Minister, 1942-45.

MATTHEWS, W. D., Special Assistant to the Under-Secretary of State for External Affairs (Chief Administrative Officer), 1943-48.

MCCARTHY, Leighton, Minister in United States, 1941-44; Ambassador, 1944-45.

McNaughton, général A. G. L., ministre de la Défense nationale, 1944-1945; président, Commission permanente canado-américaine de défense, 1945-1959.

Meagher, B. Margaret, adjoint en temps de guerre, ministère des Affaires extérieures, 1942-1945; troisième secrétaire, ambassade au Mexique, 1945-1947.

Molotov, V. M., commissaire aux Affaires étrangères, Union soviétique, 1939-1949.

Monnet, Jean, commissaire à l'armement, aux approvisionnements et à la reconstruction, Comité français de libération nationale, 1943-1944; chef de la mission économique française aux États-Unis, 1944-1945.

Montague, lieutenant général P. J., major-général responsable de l'administration, quartier général militaire canadien, Londres, 1943-1944; chef d'état-major, quartier général militaire canadien, Londres, 1944-1945.

Montgomery, feld-maréchal Bernard, commandant, 8e Armée alliée, 1942-1944; commandant en chef, Groupe britannique des armées et armées alliées, nord de la France, 1944; commandant, 21e Groupe d'armées alliées, 1944-1945; commandant, Armée britannique du Rhin, 1945-1946.

Morgenthau, Henry, Jr, secrétaire du Trésor, États-Unis, 1934-1945.

Munro, Gordon, conseiller financier, haut commissariat de Grande-Bretagne, 1941-1945.

Murchie, lieutenant-général J. C., chef d'état-major général, 1944-1945; chef d'état-major, quartier général militaire canadien, Londres, 1945-1946.

Nelles, vice-amiral P. W., chef d'état-major naval, 1934-1944; officier général supérieur canadien et chef de la mission navale canadienne outre-mer, 1944-1945; président, Comité des chefs d'état-major, 1942-1944.

Norman, E. H., troisième secrétaire, ministère des Affaires extérieures, 1943-1944; deuxième secrétaire, 1944-1945; détaché auprès de l'état-major du commandant suprême des Puissances alliées, Japon, 1945.

Odlum, major-général Victor, ambassadeur en Chine, 1943-1947.

Paterson, G. R., conseiller agricole, ambassade aux États-Unis, 1943-1949; administrateur canadien, Commission composée des denrées alimentaires, 1943-1946.

McNaughton, General A. G. L., Minister of National Defence, 1944-45; Chairman, Canadian Section, Permanent Joint Board on Defence, 1945-59.

Meagher, B. Margaret, Wartime Assistant, Department of External Affairs, 1942-45; Third Secretary, Embassy in Mexico, 1945-47.

Molotov, V. M., Commissar for Foreign Affairs, Soviet Union, 1939-49.

Monnet, Jean, Commissioner for Armament, Supplies and Reconstruction, French Committee of National Liberation, 1943-44; Head of French Economic Mission in the United States, 1944-45.

Montague, Lieutenant-General P. J., Major-General in Charge of Administration, Canadian Military Headquarters, London, 1943-44; Chief of Staff, Canadian Military Headquarters, London, 1944-45.

Montgomery, Field Marshal Bernard, Commander Allied Eighth Army, 1942-44; Commander-in-Chief British Group of Armies and Allied Armies, Northern France, 1944; Commander Allied Twenty-first Army Group, 1944-45; Commander British Army of the Rhine, 1945-46.

Morgenthau, Henry, Jr., Secretary of the Treasury, United States, 1934-45.

Munro, Gordon, Financial Adviser, High Commission of Great Britain, 1941-45.

Murchie, Lieutenant-General J. C., Chief of the General Staff, 1944-45; Chief of Staff, Canadian Military Headquarters, London, 1945-46.

Nelles, Vice-Admiral P. W., Chief of the Naval Staff, 1934-44; Senior Canadian Flag Officer and Head, Canadian Naval Mission Overseas, 1944-45; Chairman, Chiefs of Staff Committee, 1942-44.

Norman, E. H., Third Secretary, Department of External Affairs, 1943-44; Second Secretary, 1944-45; seconded to staff of the Supreme Commander for the Allied Powers, Japan, 1945.

Odlum, Major-General Victor, Ambassador in China, 1943-47.

Paterson, G. R., Agricultural Counsellor, Embassy in United States, 1943-49; Canadian Executive Officer, Combined Food Board, 1943-46.

PEARSON, L. B., ministre-conseiller, légation (puis ambassade) aux États-Unis, 1942-1945; ambassadeur, 1945-1946.

PIERCE, S. D., représentant du ministère des Munitions et des Approvisionnements aux États-Unis, 1940-1944; adjoint spécial du sous-secrétaire d'État aux Affaires extérieures, 1944-1947.

PLUMPTRE, A. F. W., attaché financier, légation (puis ambassade) aux États-Unis, 1942-1945; secrétaire, Commission de contrôle des prix et du commerce en temps de guerre, 1945-1947.

POPE, lieutenant-général Maurice, président, mission canadienne de l'état-major conjoint, Washington, 1942-1944; officier d'état-major du Premier ministre et secrétaire militaire du Comité de guerre, 1944-1945; chef, mission canadienne, Berlin (plus tard Bonn), 1945-1950.

PORTAL, maréchal de la Royal Air Force, Sir Charles F. A., chef de l'état-major de l'Air, Grande-Bretagne, 1940-1945.

POWER, Charles G., ministre de la Défense nationale pour l'Air, 1940-1944; ministre associé de la Défense nationale, 1940-1944.

RAE, Saul, deuxième secrétaire, Bureau du représentant canadien auprès du Comité français de libération nationale, Alger, 1944; deuxième secrétaire, ambassade en France, 1944-1946.

RALSTON, J. L., ministre de la Défense nationale, 1940-1944.

RASMINSKY, Louis, adjoint exécutif du gouverneur de la Banque du Canada, 1943-1954.

READ, J. E., conseiller juridique, ministère des Affaires extérieures, 1929-1946.

REID, Escott, deuxième secrétaire, ministère des Affaires extérieures, 1941-1944; premier secrétaire, ambassade aux États-Unis, 1944-1945; conseiller, haut commissariat en Grande-Bretagne, 1945-1946.

RIDDELL, W. A., haut commissaire en Nouvelle-Zélande, 1940-1946.

RITCHIE, A. E., adjoint principal, chef de la Section de l'ennemi, mission du ministère britannique de la guerre économique, Washington, 1942-1944; troisième secrétaire, ambassade du Canada aux États-Unis, 1944-1945; deuxième secrétaire, 1945-1946.

RITCHIE, C. S. A., premier secrétaire, haut commissariat en Grande-Bretagne, 1943-1945; premier secrétaire, ministère des Affaires extérieures, 1945-1947.

PEARSON, L. B., Minister-Counsellor, Legation (later Embassy) in United States, 1942-45; Ambassador, 1945-46.

PIERCE, S. D., Representative of Department of Munitions and Supply in United States, 1940-44; Special Assistant to Under-Secretary of State for External Affairs, 1944-47.

PLUMPTRE, A. F. W., Financial Attaché, Legation (later Embassy) in United States, 1942-45; Secretary, Wartime Prices and Trade Board, 1945-47.

POPE, Lieutenant-General Maurice, Chairman, Canadian Joint Staff Mission, Washington, 1942-44; Military Staff Officer to Prime Minister and Military Secretary to Cabinet War Committee, 1944-45; Head, Canadian Military Mission, Berlin (later Bonn), 1945-50.

PORTAL, Marshal of the Royal Air Force Sir Charles F. A., Chief of the Air Staff, Great Britain, 1940-45.

POWER, Charles G., Minister of National Defence for Air, 1940-44; Associate Minister of National Defence, 1940-44.

RAE, Saul, Second Secretary, Office of Canadian Representative to French Committee of National Liberation, Algiers, 1944; Second Secretary, Embassy in France, 1944-46.

RALSTON, J. L., Minister of National Defence, 1940-44.

RASMINSKY, Louis, Executive Assistant to Governor of Bank of Canada, 1943-54.

READ, J. E., Legal Adviser, Department of External Affairs, 1929-46.

REID, Escott, Second Secretary, Department of External Affairs, 1941-44; First Secretary, Embassy in United States, 1944-45; Counsellor, High Commission in Great Britain, 1945-46.

RIDDELL, W. A., High Commissioner in New Zealand, 1940-46.

RITCHIE, A. E., Senior Assistant, Head of Enemy Section, British Ministry of Economic Warfare Mission, Washington, 1942-44; Third Secretary, Canadian Embassy in United States, 1944-45; Second Secretary, 1945-46.

RITCHIE, C. S. A., First Secretary, High Commission in Great Britain, 1943-45; First Secretary, Department of External Affairs, 1945-47.

RIVE, Alfred, premier secrétaire, ministère des Affaires extérieures, 1940-1944; conseiller, ministère des Affaires extérieures, 1944-1945; secrétaire par intérim, haut commissariat en Grande-Bretagne, 1945-1946.

ROBERTSON, N. A., sous-secrétaire d'État aux Affaires extérieures, 1941-1946.

ROBERTSON, R. G., troisième secrétaire, ministère des Affaires extérieures, 1941-1945; secrétaire, Cabinet du Premier ministre, 1945-1949.

SCOTT, S. Morley, adjoint spécial du sous-secrétaire d'État aux Affaires extérieures, 1942-1944; attaché, haut commissariat en Grande-Bretagne, 1944-1946.

SCULLY, Hugh, consul général à New York, 1943-1949.

SHEILS, G. K., sous-ministre, ministère des Munitions et des Approvisionnements, 1940-1945.

SIMMONDS, lieutenant-général Guy, officier commandant le 2e corps canadien, 1944-1945; commandant, forces canadiennes aux Pays-Bas, 1945-1946.

SINCLAIR, Sir Archibald, secrétaire d'État pour l'Air, Grande-Bretagne, 1940-1945.

SINCLAIR, Sir Robert, administrateur en chef, ministère de la Production, Grande-Bretagne, 1943-1945.

SMUTS, général Jan Christiaan, Premier ministre, ministre des Affaires extérieures et ministre de la Défense, Afrique du Sud, 1939-1948.

SOONG, T. V., ministre des Affaires étrangères de Chine, 1941-1944; Premier ministre, 1944-1947.

STALINE, Joseph V., membre du Politburo du Parti communiste de l'Union soviétique, 1917-1952; secrétaire général du Comité central du Parti communiste, 1922-1952; président, Comité pour la défense de l'État, commissaire du peuple pour la défense de l'Union soviétique et commandant en chef, 1941-1946.

STETTINIUS, Edward R., junior, sous-secrétaire d'État des États-Unis, 1943-1944; secrétaire d'État, 1944-1945.

STIMSON, Henry, L., secrétaire de la Guerre des États-Unis, 1940-1945.

ST. LAURENT, Louis, ministre de la Justice et Procureur général, 1941-1946.

RIVE, Alfred, First Secretary, Department of External Affairs, 1940-44; Counsellor, Department of External Affairs, 1944-45; Acting Secretary, High Commission in Great Britain, 1945-46.

ROBERTSON, N. A., Under-Secretary of State for External Affairs, 1941-46.

ROBERTSON, R. G., Third Secretary, Department of External Affairs, 1941-45; Secretary, Office of Prime Minister, 1945-49.

SCOTT, S. Morley, Special Assistant to Under-Secretary of State for External Affairs, 1942-44; Attaché, High Commission in Great Britain, 1944-46.

SCULLY, Hugh, Consul-General in New York, 1943-49.

SHEILS, G. K., Deputy Minister, Department of Munitions and Supply, 1940-45.

SIMMONDS, Lieutenant-General Guy, General Officer Commanding, Second Canadian Corps, 1944-45; Commander, Canadian Forces in The Netherlands, 1945-46.

SINCLAIR, Sir Archibald, Secretary of State for Air, Great Britain, 1940-45.

SINCLAIR, Sir Robert, Chief Executive, Ministry of Production, Great Britain, 1943-45.

SMUTS, General Jan Christiaan, Prime Minister, Minister of External Affairs and Minister of Defence, South Africa, 1939-48.

SOONG, T. V., Minister of Foreign Affairs of China, 1941-44; Premier, 1944-47.

STALIN, Joseph V., Member of the Politburo of the Communist Party of the Soviet Union, 1917-52; General Secretary of the Central Committee of the Communist Party, 1922-52; Chairman, State Defence Committee, People's Commissar for the Defence of the Soviet Union and Commander-in-Chief, 1941-46.

STETTINIUS, Edward R., Jr., Under-Secretary of State of United States, 1943-44; Secretary of State, 1944-45.

STIMSON, Henry L., Secretary of War of United States, 1940-45.

ST. LAURENT, Louis, Minister of Justice and Attorney General, 1941-46.

STONE, Thomas A., premier secrétaire, ministère des Affaires extérieures, 1943-1944; conseiller, haut commissariat en Grande-Bretagne, 1944; chargé d'affaires, légation auprès des gouvernements alliés, Londres, 1944-1945; premier secrétaire, ministère des Affaires extérieures, 1945; conseiller, ambassade aux États-Unis, 1945-1946.

STRONG, Sir William, représentant de Grande-Bretagne auprès de la Commission consultative européenne, avec rang d'ambassadeur, 1943-1945; conseiller politique auprès du commandant en chef, forces britanniques d'occupation en Allemagne, 1945-1947.

STUART, lieutenant-général Kenneth, chef d'état-major, quartier général militaire canadien, Londres, 1943-1944.

TAYLOR, K. W., coordinateur de l'administration des denrées, Commission de contrôle des prix et du commerce en temps de guerre, 1943-1946; président adjoint, 1944-1947.

TOWERS, Graham, gouverneur de la Banque du Canada, 1934-1954; président, Commission de contrôle du change étranger, 1934-1951.

TURGEON, W. F. A., ministre en Argentine, 1941-1944; ministre au Chili, 1941-1942, ambassadeur au Mexique, 1944; ambassadeur en Belgique et ministre au Luxembourg, 1944-1946.

VAILLANCOURT, Émile, directeur, Ligue canadienne de santé (Division du Québec), 1942-1945; ministre à Cuba, 1945-1948.

VANIER, major-général G. P., représentant auprès du Comité français de libération nationale, 1943-1944; ambassadeur en France, 1944-1953.

VYSHINSKY, Andrei, premier commissaire adjoint du peuple aux Affaires étrangères, Union soviétique, 1940-1946.

WALEY, Sir David, sous-secrétaire, Trésor de Grande-Bretagne, 1939-1946; chef, Délégation de Grande-Bretagne à la Conférence sur les réparations, Paris, 1945.

WEDEMEYER, lieutenant-général A. C., commandant, forces des États-Unis en Chine et chef d'état-major auprès du généralissime Tchang Kai-Chek, 1944-1946.

WERSHOF, Max, deuxième secrétaire, ambassade aux États-Unis, 1943-1944; deuxième secrétaire, ministère des Affaires extérieures, 1944-1948.

WHITE, Harry D., adjoint auprès du secrétaire du Trésor, États-Unis, 1943-1945; secrétaire adjoint, 1945-1946.

STONE, Thomas A., First Secretary, Department of External Affairs, 1943-44; Counsellor, High Commission in Great Britain, 1944; Chargé d'Affaires, Legation to Allied Governments, London, 1944-45; First Secretary, Department of External Affairs, 1945; Counsellor, Embassy in United States, 1945-46.

STRONG, Sir William, Representative of Great Britain on European Advisory Commission with rank of Ambassador, 1943-45; Political Advisor to Commander-in-Chief, British Forces of Occupation in Germany, 1945-47.

STUART, Lieutenant-General Kenneth, Chief of Staff, Canadian Military Headquarters, London, 1943-44.

TAYLOR, K. W., Coordinator of Foods Administration, Wartime Prices and Trade Board, 1943-46; Deputy Chairman, 1944-47.

TOWERS, Graham, Governor, Bank of Canada, 1934-54; Chairman, Foreign Exchange Control Board, 1934-51.

TURGEON, W. F. A., Minister in Argentina, 1941-44; Minister in Chile, 1941-42; Ambassador in Mexico, 1944; Ambassador in Belgium and Minister in Luxembourg, 1944-46.

VAILLANCOURT, Emile, Director, Health League of Canada (Quebec Division), 1942-45; Minister in Cuba, 1945-48.

VANIER, Major-General G. P., Representative to the French Committee of National Liberation, 1943-44; Ambassador in France, 1944-53.

VYSHINSKY, Andrei, First Deputy People's Commissar of Foreign Affairs, Soviet Union, 1940-46.

WALEY, Sir David, Under-Secretary, Treasury of Great Britain, 1939-46; Head, Delegation of Great Britain to Conference on Reparations, Paris, 1945.

WEDEMEYER, Lieutenant-General A. C., Commander, United States Forces in China Theatre and Chief of Staff to Generalissimo Chiang Kai-shek, 1944-46.

WERSHOF, Max, Second Secretary, Embassy in United States, 1943-44; Second Secretary, Department of External Affairs, 1944-48.

WHITE, Harry D., Assistant to Secretary of the Treasury, United States, 1943-45; Assistant Secretary, 1945-46.

WILGRESS, L. Dana, ministre en Union soviétique, 1942-1944; ambassadeur, 1944-1947.

WILSON, feld-maréchal Sir H. M., commandant en chef, forces de Grande-Bretagne au Moyen-Orient, 1943-1944; commandant suprême des forces alliées, théâtre Méditerranéen, 1944-1945; chef, mission britannique de l'état-major conjoint, Washington, 1945-1947.

WINANT, J. G., ambassadeur des États-Unis en Grande-Bretagne, 1941-1946; représentant des États-Unis auprès de la Commission consultative européenne, 1943-1947.

WRONG, Hume, sous-secrétaire d'État adjoint aux Affaires extérieures, 1942-1944; sous-secrétaire d'État associé aux Affaires extérieures, 1944-1946.

ZAROUBIN, George, ambassadeur de l'Union soviétique, 1944-1946.

WILGRESS, L. Dana, Minister in Soviet Union, 1942-44; Ambassador, 1944-47.

WILSON, Field Marshal Sir H. M., Commander-in-Chief, Middle East Forces of Great Britain, 1943-44; Supreme Allied Commander, Mediterranean Theatre, 1944-45; Head, British Joint Staff Mission in Washington, 1945-47.

WINANT, J. G., Ambassador of United States in Great Britain, 1941-46; Representative of United States on European Advisory Commission, 1943-47.

WRONG, Hume, Assistant Under-Secretary of State for External Affairs, 1942-44; Associate Under-Secretary of State for External Affairs, 1944-46.

ZARUBIN, George, Ambassador of Soviet Union, 1944-46.

ILLUSTRATIONS

Toutes les photos sont tirées de la collection de la Division de l'art documentaire et de la photographie des Archives nationales du Canada. Le numéro du négatif paraît dans le coin inférieur gauche.

All photos are from the Documentary Art and Photography Division of the National Archives of Canada. The negative number appears at the bottom left-hand corner.

C 22716

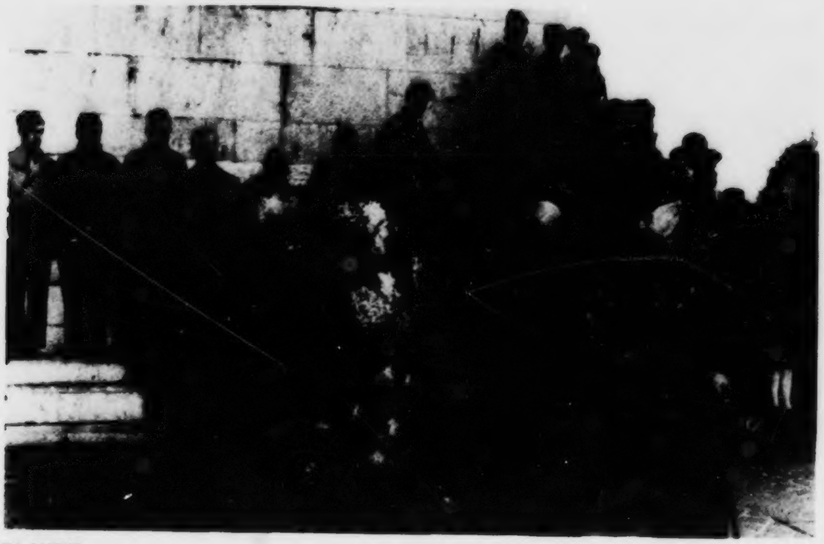
Mackenzie King et Louis Saint-Laurent s'adressent à la nation le jour de la Victoire, depuis San Francisco, où ils assistaient à la Conférence des Nations Unies.

Mackenzie King and Louis St. Laurent broadcast to the nation on V-E Day from San Francisco, where they were attending the United Nations Conference.

PA 163059

J. L. Ralston (au centre) discutant en Angleterre avec le major général P. J. Montague (à gauche) et Vincent Massey, le 4 octobre 1944.

J. L. Ralston (centre) in conversation in England with Major-General P. J. Montague (left) and Vincent Massey, October 4, 1944.



PA 163058

J. L. Ralston déposant une gerbe de fleurs au pied de l'Arc de Triomphe le 12 octobre 1944. De gauche à droite: lieutenant L. O. Roy, capitaine J. R. A. Beullac, Ralston, major général G. P. Vanier.

J. L. Ralston laying a wreath at the Arc de Triomphe, October 12, 1944. Left to right: Lieutenant L. O. Roy, Captain J. R. A. Beullac, Ralston, Major-General G. P. Vanier.

PA 162069

Mackenzie King et le commandeur Gabriel Bonneau signent l'Accord d'aide mutuelle entre le Canada et le Comité français de libération nationale, en avril 1944. Debout, de gauche à droite: Howard Measures, deuxième secrétaire, ministère des Affaires extérieures; T. A. Stone; G. R. Duval, premier secrétaire, Mission du Comité français de libération nationale; G. Paul-Boncour, conseiller aux affaires commerciales, Mission du Comité français de libération nationale; M. Dumont, directeur de l'information, Mission du Comité français de libération nationale; P. E. Renaud, premier secrétaire, ministère des Affaires extérieures.

Mackenzie King and Commander Gabriel Bonneau sign the Mutual Aid Agreement between Canada and the French Committee of National Liberation, April 1944. Standing left to right: Howard Measures, Second Secretary, Department of External Affairs; T. A. Stone; G. R. Duval, First Secretary, Mission of the French Committee of National Liberation; G. Paul-Boncour, Commercial Counsellor, Mission of the French Committee of National Liberation; M. Dumont, Director of Information, Mission of the French Committee of National Liberation; P. E. Renaud, First Secretary, Department of External Affairs.

PA 162067

L'ambassadeur accompagné de deux hauts fonctionnaires de l'ambassade du Canada à Washington. De gauche à droite: Merchant Mahoney, conseiller, Leighton McCarthy et L. B. Pearson.

The Ambassador and senior members of the staff of the Canadian Embassy, Washington. Left to right: Merchant Mahoney, Counsellor, Leighton McCarthy and L. B. Pearson.

C 75256

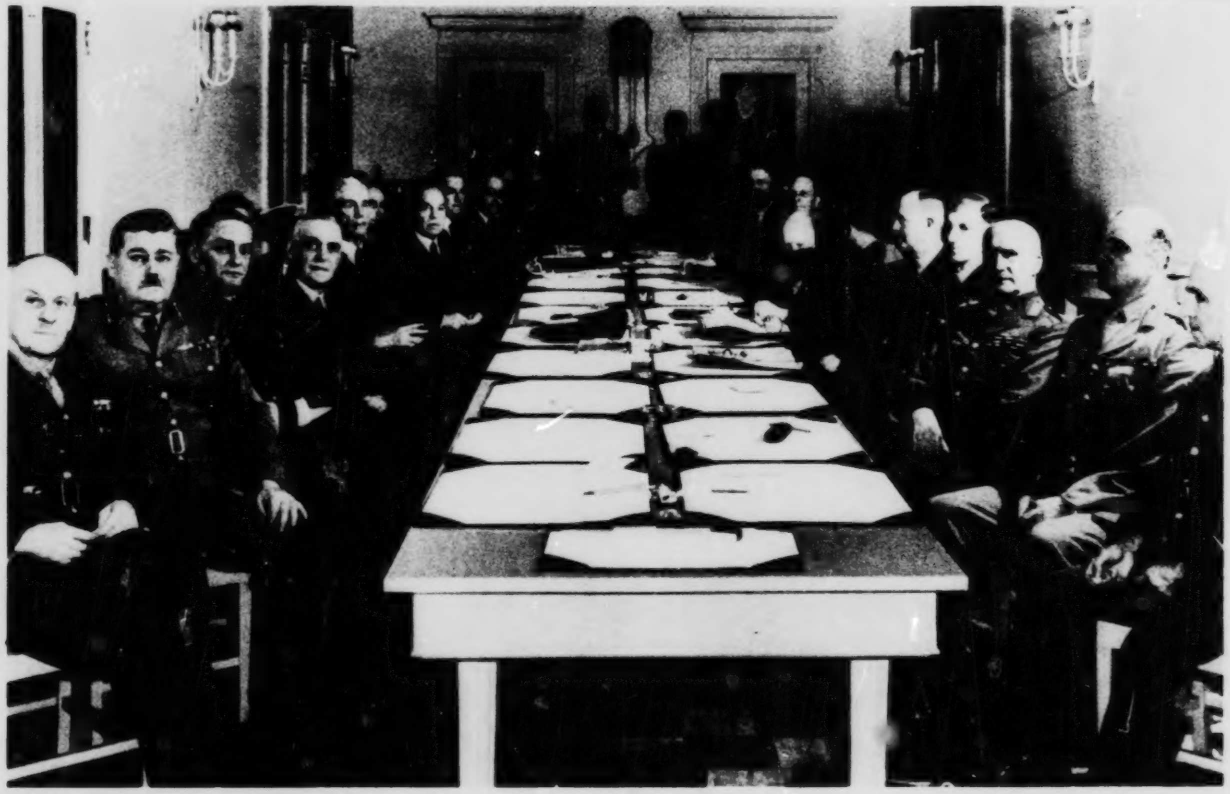
Dana Wilgress avec sa femme Olga et sa fille Diana, dans leur résidence de Moscou.

Dana Wilgress with his wife, Olga, and daughter, Diana, in their Moscow residence.

PA 149987

Le major général V. W. Odlum (première rangée, deuxième depuis la gauche) à l'occasion de la présentation de ses lettres de créance en sa qualité d'ambassadeur en Chine, le 15 mars 1944. Le généralissime Tchang Kai-Chek est au centre de la première rangée. On aperçoit, sur la seconde rangée, G. S. Patterson (deuxième depuis la gauche), conseiller, et le brigadier O. M. M. Kay (deuxième depuis la droite) attaché militaire.

Major General V. W. Odlum (first row, second from left) on the occasion of the presentation of his credentials as Ambassador to China, March 15, 1944. Generalissimo Chiang Kai-Shek is in the centre of the first row. In the second row are G. S. Patterson (second from left), Counsellor and Brigadier O. M. M. Kay (second from right), Military Attaché.



C 26946

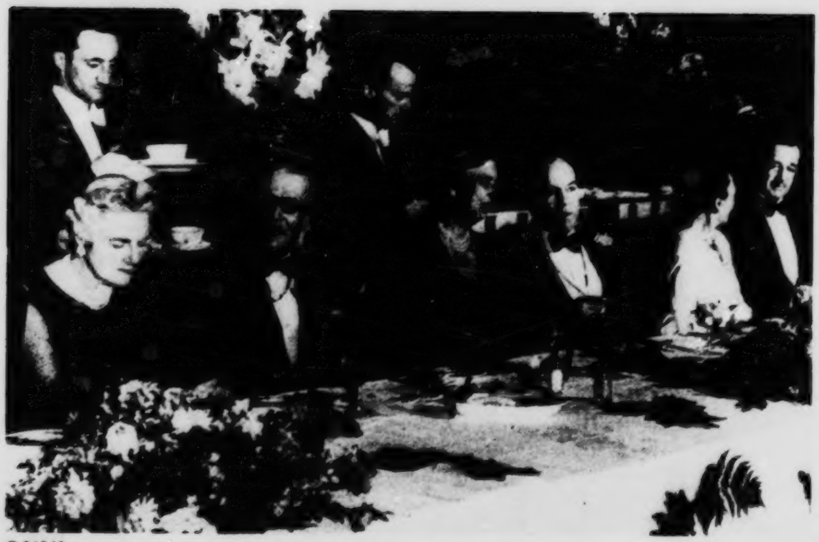
Réunion du Comité de guerre du Cabinet avec les chefs d'état-major canadiens et britanniques, à Québec le 15 septembre 1944. De gauche à droite: major général Maurice Pope; lieutenant général J. C. Murchie, vice-amiral G. C. Jones; Louis St-Laurent; T. A. Crerar; N. A. Robertson; Mackenzie King; A. D. P. Heeney; J. L. Ralston; Angus MacDonald; Humphrey Mitchell, ministre du Travail; J. R. Baldwin, Bureau du Conseil privé; lieutenant de section Marcel Beauregard; C. D. Howe; J. L. Ilsley; Malcolm MacDonald; Lord Leathers, ministre des Transports de guerre, Grande-Bretagne; Winston Churchill; Sir Alan Brooke; Sir Andrew Cunningham; Sir Charles Portal; Sir John Dill; Sir Hastings Ismay; maréchal de l'air Robert Leckie.

Meeting of the Cabinet War Committee with Canadian and British Chiefs of Staff, Quebec City, September 15, 1944. Left to right: Major General Maurice Pope; Lieutenant General J. C. Murchie; Vice Admiral G. C. Jones; Louis St. Laurent; T. A. Crerar; N. A. Robertson; Mackenzie King; A. D. P. Heeney; J. L. Ralston; Angus MacDonald; Humphrey Mitchell, Minister of Labour; J. R. Baldwin, Privy Council Office; Flight Lieutenant Marcel Beauregard; C. D. Howe; J. L. Ilsley; Malcolm MacDonald; Lord Leathers, Minister of War Transport, Great Britain; Winston Churchill; Sir Alan Brooke; Sir Andrew Cunningham; Sir Charles Portal; Sir John Dill; Sir Hastings Ismay; Air Marshal Robert Leckie.

Conférence de Québec, 1944. De gauche à droite: comte d'Athlone; F. D. Roosevelt; Winston Churchill; Mackenzie King.

Quebec Conference, 1944. Left to right: the Earl of Athlone; F. D. Roosevelt; Winston Churchill; Mackenzie King.

C 21525



C 26943

Conférence de Québec, 1944. Diner officiel au Château Frontenac. De gauche à droite: Mme Churchill, Sir Eugene Fiset, lieutenant-gouverneur du Québec; Mme Roosevelt; Mackenzie King; Lady Fiset; Ray Atherton.

Quebec Conference, 1944, formal dinner at the Chateau Frontenac. Left to right: Mrs. Churchill, Sir Eugene Fiset, Lieutenant Governor of Quebec; Mrs. Roosevelt; Mackenzie King; Lady Fiset; Ray Atherton.

C 26932

Conférence de Québec, 1944. Conférence de presse tenue à l'issue de la conférence, le 16 septembre 1944. Assis, de gauche à droite: Winston Churchill, F. D. Roosevelt et Mackenzie King.

Quebec Conference, 1944. Press conference held at conclusion of conference, September 16, 1944. Seated left to right: Winston Churchill, F. D. Roosevelt and Mackenzie King.

Conférence de Québec, 1944. Winston Churchill fait le salut de la victoire devant le Château Frontenac. De gauche à droite: C. G. Power; C. D. Howe; Churchill; Mackenzie King.

Quebec Conference, 1944. Winston Churchill flashes the V-for-Victory salute in front of the Chateau Frontenac. Left to right: C. G. Power, C. D. Howe; Churchill; Mackenzie King.

C 71095

PA 162068

Le colonel L. Moore Cosgrave, attaché militaire en Australie, signe au nom du Canada le document officiel de reddition des Japonais, à bord du USS Missouri, à Tokyo, le 2 septembre 1945.

Colonel L. Moore Cosgrave, Military Attaché in Australia, signs the official document of Japanese surrender on behalf of Canada aboard USS Missouri, Tokyo, September 2, 1945.

Le lieutenant général Charles Foulkes (au centre, à gauche) accepte du général Blaskowitz (au centre, à droite) la reddition des forces allemandes aux Pays-Bas, Wageningen, le 5 mai 1945.

Lieutenant General Charles Foulkes (centre left) accepts the surrender of the German forces in the Netherlands from General Blaskowitz (centre right) at Wageningen, May 5, 1945.

PA 137472

CHAPITRE 1/CHAPTER 1

CONDUITE DES RELATIONS EXTÉRIEURES
CONDUCT OF EXTERNAL RELATIONS

PARTIE 1/PART 1

NOMINATION DU GOUVERNEUR GÉNÉRAL
APPOINTMENT OF GOVERNOR GENERAL

1. DEA/196s

Le Premier ministre au secrétaire privé du Roi

Prime Minister to Private Secretary to the King

TELEGRAM Ottawa, July 15, 1945

Would you please submit to The King the following communication to His Majesty from myself, Begins:

Sir: I present my humble duty to Your Majesty.

As Your Majesty is aware, the present Governor General of Canada, the Right Honourable the Earl of Athlone assumed office on June the 21st, 1940. Were His Excellency prepared to consider an extension of his term, I would be very pleased to recommend. Lord Athlone has, however, informed me that he does not think he should entertain the idea of having his term extended.

On account of the general elections having been fixed for June the 11th, I felt it my duty to be certain of the return of the present administration to power before making a recommendation to Your Majesty as to Lord Athlone's successor.

As there is now no doubt as to the continuance in office of the present administration, I have the honour to submit for Your Majesty's consideration the names of three gentlemen, each of whom I am sure would prove a worthy successor to Lord Athlone in the position of Governor General of Canada.

The names I have the honour to submit are the following:

1. The Rt. Hon. the Earl of Airlie,[1]
2. Field Marshal Sir Harold Alexander,
3. Mr. G. M. Trevelyan, Master of Trinity College, Cambridge.

I have placed the names in alphabetical order not for the purpose of indicating order of preference but in order that before making a final recommendation to Your Majesty, I might receive from you, should you so

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[1]David Lyulph Gore Wolseley, Baron Ogilvy, Lord Chamberlain to the Queen; Representative Peer for Scotland; His Majesty's Lieutenant for the County of Angus.

desire, any comment or expression of preference, which Your Majesty might wish to make.

I should perhaps mention that at a meeting of the Cabinet yesterday at which the question of a successor to His Excellency was considered, while there was unanimous approval of a submission of all three names, preference, in so far as it was expressed, was for Mr. Trevelyan. As, until today, I have not communicated with any one of the three as to whether or not he would be willing to have his name submitted to Your Majesty, I am unable to say whether Mr. Trevelyan would be prepared to accept the position.

In mentioning the name of Mr. Trevelyan, I should not wish it to be thought that I had any reservation about the entire suitability of Lord Airlie or General Alexander.

I am pleased to inform Your Majesty that Lord Athlone has kindly consented to continue in office for the opening of the first session of the new Parliament which is fixed for August the 23rd, and to continue for such time longer as may permit of his successor arriving in Canada at a time which may prove most convenient to him and to the government.

I have the honour to be, Sir, Your Majesty's faithful subject.

W. L. MACKENZIE KING.

Message Ends.

2. **DEA/196s**

Le secrétaire privé du Roi au Premier ministre

Private Secretary to the King to Prime Minister

TELEGRAM London, July 13, 1945

IMMEDIATE. The King thanks you for your telegram of July 11th. His Majesty would be ready to approve any of the three gentlemen you mention, though he considers Trevelyan's age is a serious obstacle and that it is most doubtful if he would be prepared to leave Cambridge in his seventieth year.

The King thinks Alexander would be an admirable Governor General in every way, but as a preliminary it is essential to establish whether he could be released from whatever military duties he may be designated for in the future. If you wish, I could ascertain this confidentially.

As regards Airlie, the King considers he also would be highly suitable should Alexander not be available.

LASCELLES

3. DEA/196s

Le Premier ministre au secrétaire privé du Roi

Prime Minister to Private Secretary to the King

TELEGRAM Ottawa, July 14, 1945

I thank you for your telegram of July 13th and should be grateful if you could ascertain, confidentially, whether General [*sic*] Alexander could be released from whatever military duties he may be designated for in future. I have asked Massey to ascertain, informally, whether Trevelyan would be prepared to accept the appointment if the King should decide to designate him.

W. L. MACKENZIE KING
Prime Minister

4. DEA/196s

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2037 London, July 19, 1945

TOP SECRET AND PERSONAL. Following for the Prime Minister from Massey, Begins: Saw Trevelyan today and conveyed your message in the sense of your two telegrams.† He was most touched by the honour proposed, but he said he must decline not only on the ground of age but because he felt that his experience and interests did not fit him to assume the responsibilities of the office. As conversation progressed it became increasingly clear that his mind was quite made up. He asked me to convey to you his deep appreciation of the proposal, but to say that he definitely felt that he could not allow his name to be considered. Ends.

5. DEA/196s

Le Premier ministre au secrétaire privé du Roi

Prime Minister to Private Secretary to the King

TELEGRAM Ottawa, July 21, 1945

TOP SECRET AND PERSONAL. I thank you for your telegram of July 17th† advising me that from a military point of view, Alexander would be available. I have since learned from Massey that Trevelyan feels definitely that his name should not be considered for the post.

Since either Sir Harold Alexander or Lord Airlie would be entirely acceptable to the Canadian Government, I should be very glad to receive an indication of any preference His Majesty may have between them so that I can

ascertain confidentially whether the one preferred would be ready to accept the appointment before making a formal submission to His Majesty.

W. L. MACKENZIE KING
Prime Minister

6. DEA/196s

Le secrétaire privé du Roi au Premier ministre

Private Secretary to the King to Prime Minister

TELEGRAM London, July 23, 1945

IMMEDIATE. TOP SECRET AND STRICTLY PERSONAL. July 23rd.

I have laid before The King your telegram of July 21st which His Majesty much appreciates.

1. Airlie is an old personal friend of His Majesty for whom he has a great regard. He has, however, many commitments in Scotland, both public and private, from which he would at present almost certainly find it very difficult to extricate himself.

2. On the other hand, Alexander, whom The King also knows well and much admires, is relatively free. Apart from his genius as a soldier, he has shown himself to be possessed in a high degree of qualities necessary to a good Governor General. He has already won the affection and respect of thousands of Canadians whom he has commanded in the field, and his wife is in every way admirably fitted to be a Governor General's wife.

3. At the moment Alexander is one of the most eminent of the King's subjects, justly famous throughout the world. It would give His Majesty great satisfaction to recognize the magnificent contribution to victory made by Canadians in battle and at home by sending such a man to represent him in Canada.

4. Since, therefore, you have asked The King to indicate his preference, His Majesty has no hesitation in giving it to Alexander.

5. The King would be grateful if, as you suggest, you would ascertain confidentially whether Alexander is ready to accept the appointment.

LASCELLES

7. DEA/196s

Le Premier ministre au secrétaire privé du Roi

Prime Minister to Private Secretary to the King

TELEGRAM Ottawa, July 24, 1945

TOP SECRET AND STRICTLY PERSONAL. I am very glad to receive your telegram of July 23rd and the expression of His Majesty's views which it contained.

I would be grateful if you could convey the following confidential message from me to General [*sic*] Alexander. Begins:

My dear General Alexander,

I should like to submit your name, for His Majesty's approval, as Governor General of Canada. You will not need to be informed of the reasons which cause my colleagues and myself to hope that you will agree to my so doing. I know that your acceptance of the position of Governor General would be warmly welcomed by the people of Canada.

Yours sincerely,

W. L. MACKENZIE KING
Prime Minister of Canada

Ends.

8. DEA/196s

Le secrétaire privé du Roi au Premier ministre

Private Secretary to the King to Prime Minister

TELEGRAM London, July 26, 1945

TOP SECRET AND PERSONAL. July 26th.

Your telegram of July 24th. Following is text of letter which Field Marshal Alexander is sending you by Canadian High Commissioner's bag. Begins:

My dear Prime Minister,

The King's Private Secretary has given me message contained in your telegram of July 24th. I am honoured by your offer to submit my name to The King. Should His Majesty think fit to appoint me to succeed Lord Athlone as Governor General of Canada, I shall be very proud indeed to accept this high office.

Yours sincerely,

HAROLD ALEXANDER

Ends.

2. Field Marshal told me that completion of his work in Italy and difficulties of making personal preparations in present circumstances would make it impossible for him to reach Canada before next spring.

LASCELLES

9. W.L.M.K./Vol. 276

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, July 28, 1945

The announcement of the appointment of the Earl of Athlone as Governor General was made in the following form:

"It is officially announced from Buckingham Palace that the King has been graciously pleased to approve of the appointment of Major General the Earl of Athlone, K.G., as Governor General of the Dominion of Canada."

This text was cabled to you by the King's Private Secretary and approved by you. It was intended to release it simultaneously by the United Kingdom and Canadian Press, but, as you may recall, the United Press beat the gun on the advance story and the news was, in fact, in all the Canadian and English papers shortly before the hour set for the official release.

This time the official announcement, which could be made in Ottawa and released simultaneously in London, might be in the following form:

"The Prime Minister of Canada, Mr. Mackenzie King, announced today that His Majesty the King has been graciously pleased to approve of the appointment of Field Marshal Sir Harold Alexander, G.C.B., to succeed His Excellency the Earl of Athlone as Governor General of Canada. The new Governor General will arrive in Canada in the spring of 1946. His Excellency the Earl of Athlone will continue as Governor General until shortly before the arrival of Field Marshal Sir Harold Alexander."

The form suggested differs from that used in 1940 in that it would be made by the Prime Minister of Canada instead of "from Buckingham Palace" and would omit the words "Dominion of" before "Canada." In view of the fact that it will be a good many months before the new Governor General can take over his duties, it would appear desirable to include in the official announcement a reference to the fact that Lord Athlone is continuing in office until shortly before the new Governor General's arrival.

N. A. R[OBERTSON]

10. DEA/8472-C-40

Le Premier ministre au secrétaire privé du Roi

Prime Minister to Private Secretary to the King

TELEGRAM Ottawa, July 28, 1945

TOP SECRET. Would you please submit to the King the following communication to His Majesty from myself, Begins:

I present my humble duty to Your Majesty.

Sir:

I have the honour to recommend, for Your Majesty's consideration, the appointment of Field Marshal the Honourable Sir Harold Alexander as Governor General of Canada in succession to His Excellency the Earl of Athlone.

I have the honour to be, Sir, Your Majesty's faithful subject,

W. L. MACKENZIE KING

11. DEA/8472-C-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 160 London, July 29, 1945

TOP SECRET. Following for the Prime Minister, Begins: Following from the King, Begins: I cordially approve recommendation in your telegram of July 28th. George R.I. Ends.

Telegram regarding announcement[2] has been sent to Governor General for communication to yourself.

LASCELLES

Message ends.

PARTIE 2/PART 2

REPRÉSENTATION DIPLOMATIQUE ET CONSULAIRE DIPLOMATIC AND CONSULAR REPRESENTATION

SECTION A

ARGENTINE/ARGENTINA

12. DEA/261-40

Le chargé d'affaires en Argentine au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Argentina to Secretary of State for External Affairs

TELEGRAM 38 Buenos Aires, April 23, 1945

SECRET. 1. Señor Pardo, Acting Minister for Foreign Affairs, called me to the Foreign Office this afternoon to ask me to communicate the Argentine Government's desire to elevate our respective Legations to status of Embassies.

[2]La nomination fut annoncée à Ottawa le 31 juillet et à Londres, le 1er août.
The appointment was announced in Ottawa on July 31 and in London on August 1.

He cited Canadian precedent of Mexico, Peru, Chile and Brazil. An early reply is desired as appointment of new Argentine representative will await agreement regarding status.

2. Señor Pardo repeatedly explained that Argentine Government's present policy is to rotate *all* present diplomatic heads of Missions, giving them new posts. Doctor Vivot will consequently be transferred shortly. This information, however, is confidential and Doctor Vivot has not yet been notified.

3. Señor Pardo hoped, when agreement referred to in paragraph 1 above is reached, Canadian Government will make an early appointment of Canadian Ambassador here, to round-out diplomatic relations.

4. Interview was extremely friendly towards Canada.

13. DEA/261-40

Le sous-secrétaire d'État aux Affaires extérieures[3] *au sous-secrétaire d'État par intérim aux Affaires extérieures*

Under-Secretary of State for External Affairs[3] *to Acting Under-Secretary of State for External Affairs*

SECRET San Francisco, May 23, 1945

Dear Mr. Read,

I wish to refer to your letter of April 27th,† transmitting copies of telegrams exchanged with our Legation in Argentina regarding the possible elevation of the mission to the status of Embassy, and to Kirkwood's subsequent telegram No. 45 of May 16th,† which was referred to the Delegation in San Francisco.

My view is that we should defer action on the status of the mission to the Argentine until we are in a position to appoint a new representative there. This should be done fairly promptly, but cannot be done until we are in a position to make diplomatic appointments to the European Allied Governments from whom we receive representatives in Ottawa. To appoint an Ambassador to Argentina before we have opened missions in Norway or Czechoslovakia would invite reasonable criticism. In any case, I think it would be wise to allow a certain interval to elapse between the admission of Argentina to the United Nations Conference and the appointment of a Canadian representative at Buenos Aires with ambassadorial rank.

Yours sincerely,

N. A. ROBERTSON

[3] N. A. Robertson était alors à la Conférence de San Francisco.
N. A. Robertson was then at the San Francisco Conference.

14. DEA/261-40

Le secrétaire d'État aux Affaires extérieures au secrétaire d'État par intérim aux Affaires extérieures

Secretary of State for External Affairs to Acting Secretary of State for External Affairs

TELEGRAM H-366 San Francisco, June 26, 1945

SECRET AND PERSONAL. Following for Read from Robertson, Begins: Your telegram D-353 of June 18th.† Prime Minister has approved of Chipman's appointment as Ambassador Argentina. Chipman, who is returning tonight by plane with the Prime Minister, is anxious that no steps should be taken in connection with his nomination until he has had an opportunity to say his farewells to the Chileans, who have been very kind to him. I see no objection to our informing the Argentine Government that we agree in principle to exchange of Embassies and to receive an Ambassador from them. You might let them know that we hope shortly to designate a new representative in Buenos Aires who will be given the rank of Ambassador. In circumstances, I think change of status of Mission should be effective [effected?] with a minimum of fanfare. Ends.

15. DEA/50060-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Argentine

Secretary of State for External Affairs to Chargé d'Affaires in Argentina

TELEGRAM 46 Ottawa, August 1, 1945

MOST IMMEDIATE. SECRET. Following for Kirkwood from Robertson repeat Chile and to Washington, Begins: The United States Ambassador told me this morning that his Government were afraid that announcement of raising of Canadian mission to status of Embassy might be seized on, (a) by Peron and the Argentine press as an indication that Canada took a more sympathetic view of the policies and behaviour of the Argentine Government than did the United States and (b) by the American Liberal Press, which was becoming increasingly critical of the policy of maintaining normal relations with Argentina. In particular the State Department were disturbed by the Argentine press campaign against the American Ambassador and they hoped the announcement of the appointment of a new Canadian Ambassador would not be used in Argentina to make Mr. Braden's position more difficult.

I told the Ambassador that the appointment of a new head of the Canadian mission in Argentina was an inevitable and more or less routine consequence of admission of Argentina to the United Nations and of the return of the American and United Kingdom Ambassadors to their posts in Buenos Aires. We did not attach political significance to the appointment of a new

Ambassador at this time and hoped that nobody else would. At the same time we were just as anxious as the United States could be that Argentina should not make any political capital out of the agreed exchange of Embassies.

During my conversation with the Ambassador I spoke on the telephone with Hickerson, who is temporarily in charge of the Political Division of the State Department and told him that we proposed to handle the press announcement here as a purely routine matter and would endeavour to give the press the proper background at a preliminary press conference.

I have also spoken this morning to the Argentine Minister and asked him to request his Government to avoid any note of emphasis or congratulation in their announcement of the change of status of the missions. Vivot promised to transmit this request at once to his Government adding his own urgent recommendation that it be met. In the circumstances, you should not give any statement to the press commenting on the establishment of the Embassy and should remind the Argentine Government of our earnest hope that they will not exploit the announcement for any political purpose whatsoever.

SECTION B

BELGIQUE ET LUXEMBOURG
BELGIUM AND LUXEMBOURG

16. DEA/6303-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, April 22, 1944

Mr. Dupong, the Prime Minister of Luxemburg called at the Department this morning to say goodbye and to repeat his Government's very warm appreciation of the hospitality the Grand Duchess and her Ministers had received in Canada.

He referred to our earlier conversation about the possibility of our exchanging diplomatic representatives. Under an arrangement of long standing, Luxemburg interests abroad were entrusted to the Netherlands Diplomatic Service, except in a limited number of posts, where there was direct Luxemburg representation. His Government had diplomatic representatives to the United Kingdom, Holland, Belgium, France and in the United States, and they had hoped that we would agree to have the Luxemburg Minister in Washington also accredited in Ottawa, and that our representative to the Allied Governments in London could also be accredited to the Grand Duchy of Luxemburg.

I told him why we had always refused to receive diplomatic representatives who were also accredited to the United States, and that an exception conceded

in the special circumstances of Luxemburg's case would undoubtedly be invoked as a precedent by two or three other countries who had proposed similar arrangements. At the present time, our diplomatic arrangements with the Allied Governments in London were on the basis of reciprocity. Each of the Governments to which Dupuy was accredited maintained a diplomatic mission here, and for this reason it would be difficult, just now, to accredit him to the Luxemburg Government.

I told Mr. Dupong that I was sure that after the war an Ambassador to Belgium would be installed in Brussels, and that we would be glad to have him accredited to Luxemburg. It might well be, too, that with the completion of our Diplomatic Corps in Canada by the separate representation here of all the principal countries, there might be fewer difficulties in the way of the smaller countries, with limited diplomatic representation, arranging to have one representative on this continent, who would look after their interests in both Canada and the United States. In any case, we would keep in mind the interest Luxemburg had shown in maintaining the special contacts which the war had given it with Canada and would see whether there was any action we might be able to take in the future which would help to meet their wishes.

17. DEA/4700-N-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires auprès des gouvernements alliés

Secretary of State for External Affairs to Chargé d'Affaires to the Allied Governments

TELEGRAM 39 Ottawa, September 3, 1944

IMMEDIATE. Following for Dupuy from Robertson, Begins: Prime Minister has approved your appointment as Chargé d'Affaires of Canadian Embassy to Belgium and desires you to accompany Belgian Government when it returns. Colonel Hébert[4] should accompany you to Brussels, on understanding that if liberation of Holland is quickly effected he may be needed to help open Canadian Legation in The Hague.

Stone has been informed that he will take over from you as Chargé d'Affaires ad interim to Allied Governments remaining in London and accordingly he and Hébert have been asked to cancel their planned visit to Paris and to concert with you necessary arrangements for transfer of your mission to Belgium and for maintenance of our representation to other Allied Governments in London.

I do not think female clerks should accompany your mission in first instance; you may take Park with you if you feel his services will be required in Brussels and should ask C.M.H.Q. to furnish you with a reliable bilingual army clerk for temporary clerical assistance. You might also consult Canada

[4]Attaché militaire, légation auprès des gouvernements alliés, Londres.
Military Attaché, Legation to the Allied Governments, London.

House about the assignment to the Belgian Mission of a seconded officer for quasi-consular work.

As you can see the good news of liberation is coming in faster than our preparations for it. Despite all difficulties we feel it important that elements of Canadian Mission should accompany each of the Allied Governments in their return to their liberated territories. This will involve a good deal of improvisation and, often, entirely temporary assignments. In present instance Prime Minister thinks it especially appropriate that you should accompany first of the Governments to which you are accredited which will be returning to its homeland. Ends.

18. DEA/7062-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, September 9, 1944

Herewith is a submission† for your signature, asking the King's approval of Mr. Turgeon's appointment as Ambassador to Belgium.

You will remember that when Mr. Dupong, the Prime Minister of Luxemburg was in Ottawa last winter you told him that, though you did not think it advisable to accredit our Chargé d'Affaires in London to the Luxemburg Government in Exile, you would consider accrediting our next Ambassador to Belgium as Minister to Luxemburg as well. I have, therefore, prepared a supplementary submission† designating Mr. Turgeon as Minister to Luxemburg in addition to being Ambassador to Belgium.

19. DEA/7062-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 2172 Ottawa, October 5, 1944

Following for Dupuy, Begins: Please request Belgian Government's agrément to appointment of Honourable William Ferdinand Alphonse Turgeon as Canadian Ambassador to Belgium.

Mr. Turgeon was until recently Canadian Ambassador to Mexico and before that was Canadian Minister to Argentina and Chile. He is a Member of the King's Privy Council for Canada and prior to 1941 was Chief Justice of the Province of Saskatchewan and Attorney General of that Province.

You may inform Belgian Government that we are simultaneously approaching Luxembourg Government with a view to Mr. Turgeon's appointment as Minister to Luxembourg. Ends.

20. DEA/7062-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM London, November 6, 1944

Following for Dupuy, Begins: No. 10. November 4th.

Have today received agrément from Belgian Foreign Office regarding appointment of Mr. Turgeon. Ends.

SECTION C

CHILI/CHILE

21. DEA/5930-D-40

Le ministre au Chili au secrétaire d'État aux Affaires extérieures

Minister in Chile to Secretary of State for External Affairs

TELEGRAM 25 Santiago, April 18, 1944

After dinner given by me for Dr. Grove last Wednesday, April 12th, Foreign Minister asked me to transmit to you proposal from Chilean Government for raising of respective Missions to Embassies without change of diplomatic personnel. An aide-mémoire,† then suggested, has now been received and states that Chile has especial interest in strengthening links with Canada with which it collaborates in defence, democracy and civilization and concludes that Chile is disposed to elevate to rank of Embassy its Legation in Ottawa and only awaits decision of Canadian Government with respect to its Mission in Santiago in order to settle formalities and date of mutual accord. I understand similar requests will be sent to Chilean Chargé d'Affaires, Ottawa, for transmission to you. I explained to Foreign Minister the necessity of His Majesty's approval before formal action by Canada or any announcement of any arrangements agreed upon. I understand Dr. Grove would wish to return to Ottawa bearing his new credentials if possible.

22. DEA/5930-D-40

Le secrétaire d'État aux Affaires extérieures au ministre au Chili

Secretary of State for External Affairs to Minister in Chile

TELEGRAM 27 Ottawa, May 8, 1944

CONFIDENTIAL. My telegram No. 26 of April 27th,† exchange of Embassies with Chile. Prime Minister has telegraphed from London giving his approval to this proposal.[5] He will take up with the Palace the question of the King's approval for the elevation of the missions and for your designation as Ambassador. He will also secure the King's agrément for Dr. Grove as Chilean Ambassador here. You may inform Chilean Government in confidence, emphasizing that no public announcement should be made until Royal approval has been secured. I shall telegraph when this has been given. Arrangements can then be made for getting agrément of Chilean Government for your designation as Ambassador, and for public announcement.

For your own information, Prime Minister has also agreed to exchange of Embassies with Peru.

23. DEA/5930-D-40

Le secrétaire privé du Roi au sous-secrétaire d'État aux Affaires extérieures

Private Secretary to the King to Under-Secretary of State for External Affairs

London, May 15, 1944

My dear Robertson,

I have laid before The King your letter of May 10th.†

His Majesty is glad to give his approval to the proposed exchange of Embassies between Canada on the one hand and Chile and Peru on the other.

The King also gives his informal approval to the appointment of Mr. Chipman as Canadian Ambassador to Chile and of Dr. Grove as Chilean Ambassador to Canada.

I note that the Prime Minister will, in due course, submit to His Majesty the name of the proposed Canadian Ambassador to Peru.

Yours sincerely,

A. LASCELLES

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[5] Voir le document 86.
See Document 86.

SECTION D

CUBA

24. DEA/289-40

Le sous-secrétaire d'État aux Affaires extérieures au secrétaire du Gouverneur général

Under-Secretary of State for External Affairs to Secretary to Governor General

SECRET Ottawa, January 15, 1945

Dear Sir Shuldham [Redfern],

In 1940, and again in 1942, the Cuban Government indicated its desire to establish direct diplomatic relations with Canada. The Canadian Government expressed at that time its regret that circumstances prevented this development. The Prime Minister stated in the House of Commons on July 12th, 1943, that he hoped to be able to announce shortly the agrément for the establishment of a Legation in Cuba.

The Canadian Government now desire to take steps for the establishment of a Canadian Legation in Cuba and for the appointment of Mr. Émile Vaillancourt as Envoy Extraordinary and Minister Plenipotentiary for Canada in Cuba.

I am directed by the Prime Minister to ask that His Excellency the Governor General communicate a request to the King for His Majesty's informal approval of this proposal.

Yours sincerely,

N. A. ROBERTSON

25. DEA/289-40

Le secrétaire adjoint du Gouverneur général au sous-secrétaire d'État aux Affaires extérieures

Assistant Secretary to Governor General to Under-Secretary of State for External Affairs

SECRET Ottawa, January 30, 1945

Dear Mr. Robertson,

Referring to your letter to Sir Shuldham Redfern of the 15th instant regarding the establishment of a Canadian Legation in Cuba, and the appointment of Mr. Émile Vaillancourt as Envoy Extraordinary and Minister Plenipotentiary for Canada in Cuba, I am desired to inform you that we have received a cablegram† from the Private Secretary to The King stating that His Majesty has given his informal approval.

Yours sincerely,

F. L. C. PEREIRA

26. DEA/289-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 43 London, March 2, 1945

Following from His Majesty's Minister, Havana, to External, Ottawa, unnumbered March 1st, repeated to Foreign Office No. 25, Begins: Ottawa, reference to my telegram unnumbered February 10th.† Foreign, reference my telegram No. 15.†

President of Cuba told me today that proposed exchange of diplomatic representatives between Canada and Cuba was extremely welcome and was a great honour to Cuba. He asks that Prime Minister of Canada may be informed that this proposal is particularly acceptable to Cuba because of close relationship of Canada with both Britain and United States, the two nations for which Cuba has such affection and respect.

I have accordingly asked for agrément for Mr. Vaillancourt. Ends.

27. DEA/26-TY-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 52 London, March 14, 1945

My telegram No. 43. Following from His Majesty's Minister, Havana, to you, unnumbered, March 13th, repeated to Foreign Office No. 32, Begins: Cuban Government inform me that they accept with great pleasure the proposed appointment of Mr. Vaillancourt.

2. Translation of their note† follows by air mail. Ends.

SECTION E

DANEMARK/DENMARK

28. DEA/8191-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, November 28, 1945

The Danish Government is now desirous of establishing a Legation in Canada. Heretofore it has been represented by a Consul-General, whose offices have been in Montreal. There is no present possibility of us exchanging diplomatic missions with Denmark on the basis of straight reciprocity, but we would have no objection to their establishing a mission here and could, if they

were agreeable, accredit John Kearney as Minister to Denmark as well as to Norway. Kearney himself would very much welcome such an arrangement, partly because it would give him a *locus standi* in Copenhagen, where food is abundant, while he carries on his principal duties in Oslo where life for some time to come will be quite hard. In an informal conversation with the Norwegian and Danish Ministers in London, I learned that neither of their Governments would see any objection to our having one man fill the two posts.

If you approve I shall prepare the usual submission to the King, authorizing the reception of a Danish Legation here, and one submitting Kearney's name as Minister to Denmark in addition to his being Minister to Norway.[6]

29. DEA/7975-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 2833 Ottawa, December 1, 1945

Your telegram No. 3437, November 23rd,[†] appointment of Danish Minister in Ottawa.

1. Please communicate formally and direct to Danish Minister in London acknowledgement of proposal transmitted in his letter of October 25th to the Foreign Secretary,[†] and say that having now received proposal from Danish authorities we shall proceed at once to obtain His Majesty's approval of establishing a Danish Legation at Ottawa, and that we shall communicate with Danish Minister, London, through you, as soon as the King's agrément has been signified.

2. In your note to Danish Minister you might refer to Mr. Robertson's conversation with Danish Minister in London on November 1st or 2nd and state that Canadian authorities are taking steps to accredit Canadian Minister to Denmark and that in this connection we understand that it is agreeable to the Danish Government that the new Canadian Minister to Norway will be accredited also to Copenhagen.

3. You might add that after receipt of the King's approval of both the above proposals, we shall ask you to consult Danish Minister in London regarding public announcement.

4. When we have received the King's approval we shall transmit to the Danish authorities through you a request for their agrément to the appointment of Mr. John Kearney as Canadian Minister to Denmark.

5. You should notify Dominions Office of your action, for the information of the Foreign Office, and state that we are taking the usual steps through the

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[6]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
I approve. W. L. M[ACKENZIE] K[ING] 30-11-45

Governor General to obtain the King's approval, and that the intention is to accredit Mr. Kearney to Copenhagen, though he will retain permanent residence in Oslo.

30. DEA/7975-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 2926 Ottawa, December 11, 1945

My telegram No. 2833, dated December 1, 1945, appointment of the Danish Minister in Ottawa; we have just been informed that His Majesty King George VI has approved the establishment of a Danish Legation in Ottawa as well as the appointment of a Canadian Minister to Denmark, in the person of John Kearney.

Please request Count Reventlow[7] to obtain his government's agrément to the appointment of John Kearney as Canadian Minister to Denmark.

SECTION F

FRANCE

31. DEA/5858-J-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 60 London, January 7, 1944

SECRET. Following from Vanier, Begins: French No. 1. Massigli, upon whom I called yesterday, received me most cordially. He enquired whether I was the bearer of credentials to the French Committee. When I replied negatively he said that all other Ambassadors and Ministers had brought letters. In the cases of the Polish, Czechoslovak and some South American Republics, they were signed by the Head of the State. The remainder were from Foreign Ministers, including one from Mr. Cordell Hull in respect of the United States representative.

2. Massigli expressed wish that the Secretary of State for External Affairs give me a letter addressed to him as Commissioner for Foreign Affairs. Because of delay involved it was agreed that a telegram followed by a letter would be acceptable.

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[7]Le ministre du Danemark en Grande-Bretagne.
Minister of Denmark in Great Britain.

3. I saw Mr. Duff Cooper[8] today. He brought no letter and has suggested to Secretary of State for Foreign Affairs that a message be telegraphed to him on similar lines to Mr. Hull's letter to Massigli. Text of Mr. Hull's letter contained in my immediately following telegram.†

4. I would appreciate immediate message by telegram for Massigli otherwise there may be delay in my being received by the President of the French Committee. Ends.

32. DEA/5858-J-40

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures[9] au Premier ministre

Memorandum from Assistant Under-Secretary of State for External Affairs[9] to Prime Minister

Ottawa, January 8, 1944

Vanier has telegraphed from Algiers to say that it is necessary for him to have some sort of a letter to use as his credentials. I attach copies of two telegrams from him dated yesterday.[10] We had not considered it necessary to provide him with such a letter, as we had learned that Mr. Macmillan[11] and Mr. Murphy[12] when they were appointed as representatives to the Committee of National Liberation, had presented no documents of any kind. It now appears that a different procedure has been developed and that a letter from the Head of State or the Foreign Minister is needed. Vanier suggests that without such a letter the President of the Committee may not be prepared to receive him.

I attach, for your consideration, a letter from you to Mr. Massigli, the text of which could be sent to Vanier by telegram. This raises one point of some importance. Both Mr. Wilson (the new United States Representative) and Mr. Duff Cooper (the new United Kingdom Representative) have been given the personal rank of Ambassador. The Representatives of the Soviet and Belgian Governments in Algiers and perhaps some others also have this rank. The British Government has accorded an equal rank to Mr. Vienot, the Representative of the French Committee in London. With some hesitation I have included in the draft letter a statement that Vanier will have the personal rank of Ambassador. Clearly we shall exchange Embassies with France when we enter into relations with a full French Government, and it is not unlikely that Vanier will become Canadian Ambassador to France. It therefore would be reasonable

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[8]Représentant de Grande-Bretagne auprès du Comité français de libération nationale.
Representative of Great Britain to the French Committee of National Liberation.

[9]H. H. Wrong.

[10]Voir le document précédent.
See preceding document.

[11]Ministre de Grande-Bretagne résidant au quartier général Allié en Afrique du nord-ouest.
Minister of Great Britain resident at Allied Headquarters in North-West Africa.

[12]Conseiller politique des États-Unis, quartier général Allié.
United States Political Adviser, Allied Headquarters.

to give him the personal rank of Ambassador now; this would not affect his official title, but might give him some added standing.[13]

Some slight difficulty, however, might result in connection with the status of the French Delegate here. Bonneau, the French Delegate, is certainly too junior in their Service to be given such a high rank. He now receives the diplomatic privileges of a Head of a Mission, and his name appears at the end of our Diplomatic List. I think it unlikely that the French would raise the question of the personal rank of their representative (which would not affect in any way his place in the order of precedence, as he does not represent a government), unless they were to replace Bonneau.[14]

If you prefer, we can leave this phrase out of the letter for Vanier. We should send him instructions very soon so that he can make arrangements for his reception by the President of the Committee.

33. DEA/5858-J-40

Le secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale

Secretary of State for External Affairs to Representative to the French Committee of National Liberation

TELEGRAM 31 Ottawa, January 10, 1944

Your telegrams French Nos. 1 and 2[†] we received via London January 7th. On January 8th I signed a letter to Monsieur Massigli the text of which is given in my immediately following telegram. The statement is included in this letter that you have the personal rank of Ambassador. This has not yet been announced in Ottawa. Please inform me when arrangements are made for you to present the Letter to the President of the French Committee so that we may make an announcement here including a reference to your personal rank.

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[13]Note marginale:
Marginal note:
I agree. K[ING]

[14]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
There will be time enough to receive an ambassador from France when France is liberated with a recognized head of the State. K[ING]

34. DEA/5858-J-40

Le secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale

Secretary of State for External Affairs to Representative to the French Committee of National Liberation

TELEGRAM 4 Ottawa, January 10, 1944

Reference my immediately preceding telegram. Following is text of letter signed by me as Secretary of State for External Affairs to Mr. Massigli:

My dear Mr. Commissioner,

I am glad to inform you that Major-General G. P. Vanier, D.S.O., M.C., now in Algiers, has been designated as Representative of Canada to the French Committee of National Liberation with the personal rank of Ambassador. General Vanier will thus be able to take up again, on the soil of France, the work that he carried on in 1939 and 1940 as Canadian Minister to France.

I should like to take this opportunity of assuring you that we in Canada look forward with conviction to the early restoration of France to her high place among the nations. In her vivid and splendid history France has survived many tribulations, none more severe than those of the last three and a half years. We are confident that the French Committee of National Liberation, in carrying forward the struggle against our enemies, will make an ever-growing contribution to the victory of our common cause.

Accept, Sir, the assurances of my highest consideration.

35. DEA/5858-J-40

Le représentant auprès du Comité français de libération nationale au secrétaire d'État aux Affaires extérieures

Representative to the French Committee of National Liberation to Secretary of State for External Affairs

TELEGRAM FRENCH NO. 5 Algiers, January 12, 1944

IMMEDIATE. SECRET. My telegram French No. 4 of January 10th, giving text of Eden's letter to Massigli crossed your telegrams numbers 3 and 4 of January 10th. This gives to United Kingdom credentials a Head of State character which will be much appreciated by French Committee. Before seeing Massigli again would appreciate confirmation that your letter contained in telegram No. 4 of January 10th is to be conveyed in its present form.

When I have received final word from you, will advise you of date of presentation of letter.

VANIER

36. DEA/5858-J-40

Le secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale

Secretary of State for External Affairs to Representative to the French Committee of National Liberation

TELEGRAM 8 Ottawa, January 13, 1944

IMMEDIATE. SECRET. Your telegram French No. 5 of January 12, letter to Massigli.

In view of the nature of Mr. Eden's letter and your comments as to the desirability of having a Head of State character, a telegram† is being sent to London asking the King's approval for your appointment. I will wire you immediately upon receipt of it and the text of your letter for presentation to Massigli might be amended in advance to read as follows:

"I am glad to inform you that His Majesty the King has been graciously pleased to approve the appointment of Major-General G. P. Vanier, D.S.O., M.C., now in Algiers, as Representative of Canada...."

Please hold up presentation of your letter to Massigli until I inform you that this amendment is approved.

The original letter was forwarded to you under cover of despatch No. 8 of January 10.† Your new letter will be sent as soon as possible. Please return the original text when it is received.

37. DEA/5858-J-40

Le secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale

Secretary of State for External Affairs to Representative to the French Committee of National Liberation

TELEGRAM 10 Ottawa, January 17, 1944

IMMEDIATE. SECRET. Your telegram French No. 8 of January 16† presentation of credentials. My telegram No. 8 of January 13 was sent in reply to your French No. 5 and stated that the King's approval was being sought for your appointment with the intention of modifying the Prime Minister's letter to Massigli. This approval has now been secured. As stated in my telegram No. 8 the text of this letter is as before except for the opening words as follows:

"I am glad to inform you that His Majesty the King has been graciously pleased to approve the appointment of Major-General G. P. Vanier, D.S.O., M.C., now in Algiers as Representative of Canada...."

It is desired to make a release to the press at the time you present the text of your letter to Massigli. This release will reproduce the actual text signed by the Prime Minister. To facilitate press arrangements please inform me in advance of the day on which presentation will take place. If the French authorities wish,

release here can be coordinated with any they may make and possibly they will wish to suggest a time for release.[15]

38. DEA/4761-40

Le délégué du Comité français de libération nationale au sous-secrétaire d'État aux Affaires extérieures

Delegate of French Committee of National Liberation to Under-Secretary of State for External Affairs

No. 154 Ottawa, le 18 janvier 1944

Monsieur le Sous-Secrétaire d'État,

La question de la réouverture au Canada des consulats français ou de leurs équivalents a été envisagée par le Comité Français de la Libération Nationale à la suite d'une demande que je lui ai présentée à cette fin.

Je vous serais reconnaissant de vouloir bien me faire savoir si l'un ou l'autre de ces projets soulèverait quelque objection de la part du Gouvernement canadien.[16]

Veuillez agréer etc.

G. BONNEAU

39. DEA/5858-J-40

Le représentant auprès du Comité français de libération nationale au secrétaire d'État aux Affaires extérieures

Representative to the French Committee of National Liberation to Secretary of State for External Affairs

TELEGRAM 20 Algiers, January 24, 1944

MOST IMMEDIATE. MOST SECRET. General de Gaulle received me Saturday afternoon in a very cordial manner and expressed appreciation of Canadian Government's comportment to French Committee. I was accompanied by Forget[17] and Rae. The conversation was of a friendly and informal character with no political signification. General de Gaulle said he was leaving for

[15] Un communiqué de presse fut émis le 22 janvier 1944.
A press release was issued on January 22, 1944.

[16] La note suivante était écrite sur cette note:
The following note was written on this note:
Mr. Stone
We might find out what status is of French Consular offices in U.S. K[ING]

[17] Attaché militaire.
Military attaché.

Brazzaville Monday and would receive me again (Remainder of message corrupt. Repetition asked for).[18]

VANIER

40. DEA/4761-40

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État adjoint aux Affaires extérieures

Minister, Embassy in United States, to Assistant Under-Secretary of State for External Affairs

Washington, February 3, 1944

My dear Mr. Wrong,

With reference to your letter of January 28th, 1944,† covering copy of a letter from the Delegation of the French Committee of National Liberation in Ottawa asking for your views on the establishment of French Consulates or their equivalents in Canada, I am attaching herewith a memorandum on the present status of French Consulates in the United States following a conversation which Mr. Allard[19] had with James Bonbright who is in charge of the French desk in the State Department.

Yours sincerely,

L. B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du premier secrétaire, l'ambassade aux États-Unis

Memorandum by First Secretary, Embassy in United States

[Washington,] February 3, 1944

PRESENT STATUS OF FRENCH CONSULATES IN THE UNITED STATES

The question of the French Consulates in the United States was discussed with Mr. James H. Bonbright in charge of the French desk in the Department of State. The negotiations between the Delegation of the French Committee of National Liberation in Washington and the State Department are summarised in the following paragraphs.

On September 1st, 1943, the Delegation of the French Committee in Washington approached the State Department with a request on lines parallel to the one made to the Department of External Affairs by the Delegate of the French Committee in Ottawa.

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[18] La fin du message se lisait comme suit:
The end of the message was as follows:
on his return. I trust that our talk may then be of some interest.

[19] Premier secrétaire, ambassade aux États-Unis.
First Secretary, Embassy in United States.

On October 1st, 1943, the State Department replied to the effect that the:

"...Government of the United States will be glad to accept the appointment of representatives of the French Committee of National Liberation in the cities named (New York, Chicago, San Francisco, New Orleans, San Juan, Puerto Rico is to be added in the near future) for the purpose of performing such services as may be appropriate under the existing relationship between the United States Government and the French Committee. To this end the Department of State would appreciate being informed of the specific services which the Committee would desire to have its agents perform.

In the present situation, the Committee will readily appreciate the difficulty under existing American law and practice of formally accepting the establishment of regular Consular representatives, but there is every desire on the part of the Department of State to find a practicable means whereby necessary services may be performed."

In reply to this communication from the State Department, the Delegation of the French Committee in Washington stated that the desires of the French Committee were to have the usual Consular functions performed by their representatives in the cities indicated above. This was conveyed to the State Department in an Aide-Mémoire dated October 11' to which the State Department replied in the following sense:

"Services specified in the Aide-Mémoire of October 11, 1943, from the Delegation of the French Committee of National Liberation are considered to fall within the scope of the services envisaged in the State Department's memorandum of October 1st and their performance by representatives of the Committee in cities named are consequently approved.

With respect to the designation of the representative agencies to be established, the State Department would prefer there be employed some such designation as 'Agency of the French Committee of National Liberation'."

In their Aide-Mémoire of October 11 the Delegation of the French Committee in Washington had pointed out that the United Kingdom authorities had allowed representatives of the French Committee in London to use their former offices and the appellation "Bureaux Consulaires."

Recently the Delegation of the French Committee in Washington asked whether there would be any objection to their agents in the five cities mentioned to add the payment of pensions to veterans to their consular functions. After some discussion with the interested United States Departments, this was also allowed and I understand that the Treasury will unfreeze the necessary funds. The veterans to whom such payments would be made are presumed to be veterans of the First World War and the lists which the agents of the French Committee will use will be the old ones prepared by the former French Consulates.

41. DEA/4761-40

Le sous-secrétaire d'État aux Affaires extérieures au délégué du Comité français de libération nationale

Under-Secretary of State for External Affairs to Delegate of French Committee of National Liberation

Ottawa, February 14, 1944

My dear Mr. Bonneau,

In reply to your letter of January 18th, No. 154, I am writing to inform you that there would be no objection to the reopening of offices in Canada by the Committee of National Liberation to perform the services which were formerly in this country the responsibility of French Consular officers. In the present situation the Canadian Government would prefer that these offices be called Consular offices, or, in French, *Bureaux Consulaires* rather than Consulates or Consulates General.

In order that the work of these offices might be facilitated, the Canadian Government is prepared to make available whatever is necessary of the archives of former French Consulates. They can be taken over under arrangements with the Capital Trust Company and subject to return upon request of the Company. It is not expected that it will be necessary to ask for their return but it is necessary to protect the special position of the Canadian Government in this matter. In any city where the office space of the former French Consulates is not now being used for other purposes, the Government would not object to its being taken over by the agents of the Committee.

Yours sincerely,

N. A. ROBERTSON

42. DEA/4761-40

Le délégué du Comité français de libération nationale au sous-secrétaire d'État aux Affaires extérieures

Delegate of French Committee of National Liberation to Under-Secretary of State for External Affairs

No. 202 Ottawa, le 5 avril 1944

Monsieur le Sous-Secrétaire d'État,

Par lettre en date du 14 février, vous avez bien voulu me faire savoir que le Gouvernement canadien acceptait la réouverture, en ce pays, de bureaux consulaires français et qu'il n'avait pas d'objection à ce que ceux-ci fussent installés dans les locaux précédemment occupés par nos consulats, au cas où ces locaux seraient demeurés vacants.

Je vous serais reconnaissant de vouloir bien me faire savoir si l'accord donné en cette occasion par le Gouvernement canadien vise également le service du Conseiller Commercial de cette Délégation, M. Guillaume Paul-Boncour. Je

me permets de vous signaler à cet égard que les locaux précédemment occupés à Montréal par les services de notre Attaché Commercial, M. Treuil, sont disponibles puisque cette Délégation en paye actuellement le loyer. Je serais heureux que vous veuillez bien me confirmer que vous ne voyer pas d'objection à ce que M. G. Paul-Boncour y installe une partie de ses services[20] et que, par ailleurs, vous me fassiez savoir la procédure à suivre pour la prise en charge des archives, sous la réserve prévue dans votre lettre du 14 février.[21]

Veuillez agréer, etc.

BONNEAU

43. DEA/4761-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, May 27, 1944

In conversation with the United States Ambassador this week I mentioned the conditions under which the Canadian Government would be prepared to give favourable consideration to a request from the French National Committee for the use for business purposes of the office premises in the French Legation. He asked me if there would be any objection to his communicating this information to his Government, and I said I could see no possible objection to his doing so.

On Thursday, May 25, Mr. Atherton gave me to understand that his Government feared that if we allowed the Representative of the French Committee to use the Chancery of the Legation, such a step might be given a "symbolic significance" and used by mischief-makers as an indication of shaded difference in the attitude towards the French Committee of the Canadian and American Governments. Mr. Churchill's speech the day previous[22] was evidence that the United Kingdom had accepted the President's thesis of the degree of recognition that should be accorded to the French Committee. The Soviet Union had this week agreed to the Directive which the President proposed to send to General Eisenhower for his guidance in dealing

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[20] Note marginale:
Marginal note:
I think this will be all right. N. A. R[OBERTSON]

[21] Il semble qu'on a communiqué avec le délégué du Comité français de libération national par télégramme vers le 24 avril.
The Delegate of the French Committee of National Liberation was apparently informed by telegram on or about April 24.

[22] Voir Grande Bretagne, House of Commons, *Debates*, Fifth Series, Volume 400, Columns 762-86.
See Great Britain, House of Commons, *Debates*, Fifth Series, Volume 400, Columns 762-86.

with French civil authorities.[23] In the circumstances action on our part in the sense suggested might be misconstrued as a gesture of greater confidence in the French Committee than our major Allies were as yet prepared to give.

In the light of this conversation I thought there was no point in proceeding with the arrangement, which might be misunderstood by the Americans. It was at the same time so hedged round by restrictive conditions that it was doubtful whether the French could accept it. I therefore asked Commandant Bonneau to come in this morning and explained to him, without revealing that the United States had taken any interest in the matter, that I thought it wiser to leave in abeyance for another month or six weeks the question of his using the Legation Chancery. I cited the recent resolution of the Consultative Assembly in Algiers asking the Committee to assume the style of "Provisional Government"[24] and General de Gaulle's indiscreet speech at Tunis two weeks ago[25] as new factors which made it impossible for us to proceed at present with what was in itself I believed quite a sensible and practical arrangement. He was very reasonable about this. He said his office was very badly cramped in their present quarters, and his efforts to get other accommodation had been unsuccessful. He quite understood our position. He said he had informed Algiers some three weeks ago about the conditions which would govern the use of office premises by his Delegation, and the fact that he had not heard from them might be evidence that they thought the conditions which we had to impose were more restrictive than they could have accepted.

44. DEA/3618-A-40

Le sous-secrétaire d'État aux Affaires extérieures au sous-ministre des Services de guerre nationaux[26]

Under-Secretary of State for External Affairs to Deputy Minister of National War Services[26]

Ottawa, July 5, 1944

Dear Mr. Payne,

I have received your letter of July 5th† enquiring about the title which should be used in correspondence with M. Bonneau in view of the fact that recognition has not been accorded to the title of Provisional Government of the French Republic which has been adopted by the French Committee of National Liberation. In this Department we are now addressing correspondence to M. Bonneau as "French Delegate, Ottawa" and we are referring to his

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[23] Voir le document 178.
See Document 178.

[24] Voir les documents 186 and 187.
See Documents 186 and 187.

[25] Voir le *New York Times* du 8 mai 1944.
See *The New York Times* of May 8, 1944.

[26] Voir aussi le document 191.
See also Document 191.

office in such correspondence merely as the "French Delegation." Similarly we are addressing General Vanier in Algiers merely as "Canadian Representative, Algiers." I think that you might adopt a similar practice in your Department so long as the present state of affairs continues.

Yours sincerely,

N. A. ROBERTSON

45. DEA/31-Q-40

Le représentant auprès du Comité français de libération nationale, Alger, au secrétaire d'État aux Affaires extérieures

Representative to French Committee of National Liberation, Algiers to Secretary of State for External Affairs

TELEGRAM 257 Algiers, August 28, 1944

IMMEDIATE. TOP SECRET. My telegram No. 255 of August 27th. I learned early this morning that request for air transport for Commissioners was forwarded by A.F.H.Q. to S.H.A.E.F. which replied that this could be made available providing General de Gaulle made specific request that Algiers Commissioners come to France. Of course no difficulty is anticipated on this score. Duff Cooper tells me that Eisenhower is anxious that Commissioners should reach France as soon as possible.

Regarding air transport for Diplomatic Missions, S.H.A.E.F. agreed to provide for advance parties of the United Kingdom, United States, Soviet and Canadian Missions, but not for other Diplomatic Missions until subsequent S.H.A.E.F. authorization granted.

While these arrangements were going forward, Duff Cooper learned from Admiral Miles, Senior Naval Officer here, that French authorities had decided to leave tonight for Cherbourg at six p.m. in *Jeanne d'Arc* now in port of Algiers. Since Minister for Foreign Affairs had not previously mentioned this alternative, situation became confused. I discussed this new development with Duff Cooper. It was decided that subject to concurrence of French authorities, small advance party consisting of Holman and Reilly for United Kingdom and Rae for this Mission accompany Commissioners and French officials in *Jeanne d'Arc*.

Later, however, Duff Cooper received a message from Foreign Office suggesting his advance party should proceed to France by air via the United Kingdom. As he has very kindly offered space for a small advance party from this Mission, I propose to send Rae ahead with two other assistants, unless you instruct otherwise. In this way you will have two sources of information.

I have just heard definitely that some French Commissioners will sail tonight, the remainder leaving by air tomorrow. Commissioners are in a state of great agitation which is not surprising as they are worrying about their political status in France as well as their families.

It rather looks as if Duff Cooper and I would leave towards the end of the week.

United States Chargé d'Affaires is in a most difficult position. Although he has asked Washington for instructions over past fortnight, he has received no reply.

VANIER

46. DEA/31-Q-40

Le secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale, Alger

Secretary of State for External Affairs to Representative to French Committee of National Liberation, Algiers

TELEGRAM 148 Ottawa, August 29, 1944

TOP SECRET. Your No. 255 of August 27th† and 257 of August 28th.

We fully approve of your efforts to expedite transfer to Paris. We realize it may be necessary to change plans frequently under present circumstances and will leave all arrangements to you so you may act as you feel best.

2. Extra funds have been forwarded to Dupuy for your account. We have asked Canada House to see that military authorities authorize all necessary aid for you and your staff in such matters as transport, accommodation, food rations and communications.

3. We believe it to be preferable to make temporary arrangements for residence and office accommodation until conditions become more normal. The leases on old office and residence have both expired.

47. DEA/31-Q-40

Le représentant auprès du Comité français de libération nationale, Alger, au secrétaire d'État aux Affaires extérieures

Representative to French Committee of National Liberation, Algiers, to Secretary of State for External Affairs

TELEGRAM 258 Algiers, August 29, 1944

TOP SECRET. My telegram No. 257 of August 28th. Last night I saw *Jeanne d'Arc* sail, probable destination Cherbourg. Following were on board, Queuille,[27] with all remaining Commissioners except Pleven[28] (Colonies) and Catroux who remains here as Governor-General of Algiers. Gouin, President of Assembly and Bureau. Commissioners and Assembly Bureau were accompanied by adequate administrative staff.

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[27] Commissaire d'État.
Commissioner of State.

[28] Commissaire pour les colonies.
Commissioner for the Colonies.

Duff Cooper informed me this morning that Foreign Office are providing plane for him to go to France via the United Kingdom. Foreign Office asked him to extend accommodation to United States, Soviet and Canadian Missions. United States Chargé d'Affaires without any reply from State Department to repeated enquiries remains here pending instructions. Soviet Mission will make independent arrangements.

I believe it is wise to accept offer to accompany Duff Cooper because now that Commissioners have left Algiers there is no reason to remain on. Besides, if I accompany Duff Cooper now it will mean that later best possible transport facilities will be available for move from the United Kingdom to France. I have therefore accepted Duff Cooper's offer subject to your concurrence. The present plan is for Duff Cooper, Lady Diana, my wife and I to leave next Saturday. Duff Cooper will be accompanied by small secretarial staff. I will not take more than one or two.

Military Attaché will remain behind to take charge of all cars and baggage for which arrangements are being made to go by ship and road, probably from south of France.

As arranged Lamontagne[29] will be last to leave probably in a few weeks time.

VANIER

48. DEA/31-Q-40

Le secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale, Alger

Secretary of State for External Affairs to Representative to French Committee of National Liberation, Algiers

TELEGRAM 149 Ottawa, August 31, 1944

TOP SECRET. Your No. 258 of August 29th.

We approve of your proposed departure with Duff Cooper.

[29] Conseiller commercial, la délégation auprès du Comité français de libération nationale, Alger. Commercial Counsellor, Delegation to the French Committee of National Liberation, Algiers.

49. DEA/4761-40

Déchiffreur, ministère des Affaires extérieures, au sous-secrétaire d'État par intérim aux Affaires extérieures[30]

Cypher Officer, Department of External Affairs, to Acting Under-Secretary of State for External Affairs[30]

TELEGRAM H-20 Québec, September 15, 1944

IMMEDIATE. Following for Read from Robertson, Begins: We learned last night through the Canadian Press that Hull had announced that the United States was giving the French Committee of National Liberation representative in Washington the use of the French Embassy, with the usual comment that this was not in any sense a step toward "recognition," etc.

In the circumstances, the Prime Minister told the press that "Canada would be glad to make the French Legation in Ottawa available to the French Delegate." He did not make any comment on the effect of this action on the question of recognition.

You will recall that our earlier plan to give Bonneau the use of the Legation premises for business purposes and subject to all sorts of restrictive covenants was put off at the instance of the United States who attached great importance to our acting in step on this question. As far as I have been able to find out, the State Department did not give us any warning that they were abandoning the position which they had asked us to take.

In view of these developments, I do not think we should attach any special conditions to use of the Legation by the French Delegate, and should so inform him. Please explain position to Vanier and to our Embassy in Washington. I shall try to see Atherton this morning if he is still in Quebec. Ends.

50. DEA/2412-K-40

Le secrétaire d'État aux Affaires extérieures au consul par intérim à Saint-Pierre-et-Miquelon[31]

Secretary of State for External Affairs to Acting Consul in St. Pierre and Miquelon[31]

DESPATCH 26 Ottawa, September 21, 1944

Sir,

The Department of National Defence (Naval Service) has advised this Department that since you have been for nearly two years in your present post at St. Pierre and Miquelon, they would like to arrange for your transfer. It is

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[30] Ce télégramme fut envoyé de la Citadelle à Québec où avait lieu la Conférence de Québec.
This telegram was sent from the Citadel in Quebec City where the Quebec Conference was taking place.

[31] Lieutenant Commander D.E. ffolkes Jemmet.

understood that they propose to discontinue the present post at St. Pierre and Miquelon.

2. In view of the decision of the Department of National Defence (Naval Service), and in view of the great change in the military situation and the consequent decline in Consular business at St. Pierre and Miquelon, it has been decided by this Department to close out the Consular Office there on your departure.

3. It has been agreed with the Department of National Defence (Naval Service) that a convenient date for closing the Office would be October 15 next. It is hoped that this will give you sufficient time to clear up any outstanding business and arrange for the return of papers and supplies. Instructions with respect to papers and supplies will be sent you in a subsequent despatch.[†]

4. Will you be good enough to inform the Administrator of the decision of the Canadian Government to close the Consular Office. The head of the French Delegation here will be advised as a matter of courtesy. The Canadian Ambassador in Paris will also be advised and asked to inform the Government in Paris.

5. I should like to express my appreciation of your services as Acting Consul in St. Pierre and Miquelon. Your careful attention to diplomatic and Consular matters with which you have to deal has been of real service to this Department. The dignity, courtesy and efficiency with which you have discharged the duties of your office have, I feel sure, enhanced the standing of Canada among the people of St. Pierre and Miquelon as well as among the people who have come there from time to time from metropolitan France or other parts of the French Empire.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

51. DEA/31-T-40

Le sous-secrétaire d'État aux Affaires extérieures
au secrétaire du Gouverneur général

Under-Secretary of State for External Affairs
to Secretary to Governor General

Ottawa, November 6, 1944

Dear Sir Shuldham [Redfern],

I desire to refer to my letter to you of January 11, 1944,[†] (our file No. 5858-J-40C) regarding the appointment of General Vanier as Canadian Representative at Algiers with the personal rank of Ambassador and to your reply of January 17, conveying the King's approval thereof.

The Prime Minister announced on October 23 the recognition by Canada of the French administration as the Provisional Government of the French Republic, and the Prime Minister has now approved the appointment of General Vanier as Canadian Ambassador to the Provisional Government of the French Republic.[32]

As the King's approval of General Vanier's appointment as Ambassador has already been signified informally, I assume that it is not necessary to repeat a request for informal approval of General Vanier's appointment as Ambassador to the Provisional Government of the French Republic, and that insofar as Royal approval is concerned we should now forward through the Governor General a formal submission.

I therefore enclose, herewith, a submission† signed by the Prime Minister seeking approval of the proposal to raise the Canadian Legation in France to the rank of Embassy, to appoint General Vanier as Canadian Ambassador, and the issuance to him of a Commission under the Great Seal of Canada and under the signature of the Governor General.

I also enclose, for transmission to London for the King's signature, General Vanier's Letter of Credence.† We are very anxious that this document should be put in General Vanier's hands as soon as possible, and I should therefore be grateful if, when it has been signed by His Majesty, it could be sent by safe hand to the Right Honourable Vincent Massey, High Commissioner for Canada in London. I am sending Mr. Massey a copy of this letter and I am asking him to see that this document is placed in an envelope bearing the arms of the King in respect of Canada and addressed to the President of the Provisional Government of the French Republic. I am also sending Mr. Massey a typewritten copy of the enclosed Letter of Credence for transmission to General Vanier with the original document in order that he may have both documents at the same time, the original to be handed to the President of the Provisional Government of the French Republic and the copy to be handed to the Minister of Foreign Affairs of the Provisional Government of the French Republic.

Yours sincerely,

N. A. ROBERTSON

52. DEA/26-SL-40

Le secrétaire d'État aux Affaires extérieures au délégué du gouvernement provisoire de la République française

Secretary of State for External Affairs to Delegate of the Provisional Government of the French Republic

Ottawa, November 8, 1944

Sir,

[32] Voir aussi les documents 215 et 216.
See also Documents 215 and 216.

I have the honour to refer to your Note No. 538 of November 2nd† regarding the proposed appointment of Mr. Jean Marie François de Hauteclocque as French Ambassador Extraordinary and Plenipotentiary at Ottawa, and to inform you that the agrément of His Majesty the King has been accorded to this appointment.[33]

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

53. DEA/31-T-40

Le secrétaire du Gouverneur général au sous-secrétaire d'État aux Affaires extérieures

Secretary to Governor General to Under-Secretary of State for External Affairs

Ottawa, November 22, 1944

Dear Mr. Robertson,

With reference to your letter of the 6th November, The King has been pleased to sign the formal submission† in connection with General Vanier's appointment as Canadian Ambassador in France. I am returning it herewith.

His Majesty has also signed the Letter of Credence for General Vanier and this was sent direct to Mr. Vincent Massey.

Yours sincerely,
A. S. REDFERN

SECTION G

GRÈCE/GREECE

54. DEA/7728-40

Mémorandum du conseiller juridique au Premier ministre

Memorandum from Legal Adviser to Prime Minister

Ottawa, May 26, 1945

APPOINTMENT OF GENERAL LAFLÈCHE

Mr. Robertson proposed to the Greek Ambassador to the United Kingdom, who was a delegate to the San Francisco Conference, that the missions established between Canada and Greece in 1942 be raised to the rank of embassy. At the same time we asked Government House to obtain the King's

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[33] La note suivante était écrite sur cette copie de la note:
The following note was written on this copy of the note:
Telegram was sent to Vanier for his information. Mr. Robertson phoned Bonneau and this note was sent by hand. W. H. M[EASURES] 8-XI-44

approval of the appointment of General LaFlèche as Minister and added that we expected shortly to ask the King's approval of raising the Legation to an Embassy and of appointment of General LaFlèche as Ambassador.

The King's informal approval of General LaFlèche's appointment as *Minister* has now been received.

Normally the next step is to ask the Greek Chargé d'Affaires at Ottawa to obtain his Government's agrément to General LaFlèche's appointment as Minister, upon receipt of which an announcement could be made. Later when the Greek Government's informal agreement about embassies is received we can ask the King's approval and announce this further development.

Mr. Robertson telegraphs this morning that the Greek Government have not yet indicated their agreement to the exchange of embassies, and he suggests that General LaFlèche should be informed of the present actual position before the Greek agrément is requested for his immediate appointment as Minister.

Does the Prime Minister wish to communicate this information to General LaFlèche?[34]

J. E. READ

55. DEA/7728-40

Le secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Secretary of State for External Affairs to Under-Secretary of State for External Affairs

TELEGRAM D-290 Ottawa, June 4, 1945

IMMEDIATE. Following from Read, Begins: Your telegram H-264. Upon receipt of your telegram H-232, I obtained Prime Minister's instructions and informed General LaFlèche of actual position. Latter concurred in request for agrément as Minister to Greece but requested personal rank of ambassador.

On May 29th I handed to Greek Chargé d'Affaires a note† requesting agrément to appointment of General LaFlèche as Minister and stating Canadian Government's desire to announce appointment as soon as agrément given.

I asked Greek Chargé d'Affaires to transmit by telegraph our request for agrément and, when doing so, to refer in his message to your discussions at San Francisco, and to inform his government of our intention to give General LaFlèche the personal rank of ambassador. The Chargé d'Affaires said he would communicate our request to his Foreign Minister in San Francisco.

We asked him to enquire as to person to whom the Letter of Credence should be addressed. He said he understood in the case of appointment of

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[34]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Mr. Read
Please take up with General LaFlèche immediately. W.L. M[ACKENZIE] K[ING] 26-5-45

Soviet representative, the Soviet Government had declined to address their Letter to the King of Greece, and he expressed interim personal opinion that Letter should be addressed to the Regent.

Recommendations to Council† regarding appointment and personal rank were signed today by the Prime Minister. I think the preparation of the Commission can be delayed pending outcome of your request for agrément re embassies. Ends.

56. DEA/7728-40

Le sous-secrétaire d'État aux Affaires extérieures au secrétaire d'État aux Affaires extérieures

Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TELEGRAM H-289 San Francisco, June 8, 1945

IMMEDIATE. Following from Robertson, Begins: Your telegram D-290. Aghnidis, the Greek Ambassador to London, came to see me this morning to apologize most profusely for his Government's delay in replying to our proposal that Greece and Canada raise their respective Missions to the rank of Embassy. His Foreign Minister, who is the head of the delegation here, has been pressing his Government at Athens to send a prompt affirmative reply, but has not yet been able to secure their concurrence. Reason given for delay is that Greek Government has, within last few weeks, felt compelled to decline similar proposal to one or two other countries and now felt compromised by this earlier decision, which Ambassador and Foreign Minister insist should not, in any way, affect question of status of Greek and Canadian Missions. They believe question can be straightened out to our satisfaction within next few weeks and ask for a little time.

In the meantime, nomination of General LaFlèche as Minister, with the personal rank of Ambassador is most welcome to Greek Government, who are instructing their Chargé d'Affaires in Ottawa by phone today to advise you accordingly. Announcement of appointment can, therefore, now be made.[35] Ends.

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[35] Un communiqué de presse fut émis le 9 juin.
A press release was issued on June 9.

57. DEA/7728-40

Le chargé d'affaires de Grèce au sous-secrétaire d'État par intérim aux Affaires extérieures

Chargé d'Affaires of Greece to Acting Under-Secretary of State for External Affairs

Ottawa, June 18, 1945

Sir,

With reference to my letter of June 11th† and in conformity with instructions received from my Government, I beg to inform you that the administrative difficulties mentioned therein having been eliminated, the Royal Greek Government are now exceedingly pleased to be in a position to accede to the suggestion of the Canadian Government to raise the Diplomatic Missions of the two countries to Embassies.

At the same time the Greek Government have instructed me to inform you they will be delighted to see General LaFlèche appointed at Athens in the capacity of Ambassador.

In addition, the Greek Government propose to appoint a Greek Ambassador to Ottawa and will ask, in due time, the Canadian Government's agrément to this appointment.

Accept etc.

Chargé d'Affaires

58. DEA/7728-40

Le sous-secrétaire d'État par intérim aux Affaires extérieures au secrétaire adjoint du Gouverneur général

Acting Under-Secretary of State for External Affairs to Assistant Secretary to Governor General

Ottawa, June 18, 1945

Our file No. 7728-40C

Dear Mr. Pereira,

With reference to the second paragraph of my letter of May 17th,† and your letter of May 25th,† regarding Canadian diplomatic representation in Greece, I am directed by the Prime Minister to request that His Excellency the Governor General may be pleased to transmit by telegraph a request for the informal approval of His Majesty the King of the raising of the Canadian Legation to Greece to the rank of embassy and of the appointment of Major-General the Hon. L. R. LaFlèche as Canadian Ambassador to Greece.

Yours sincerely,

J. E. READ

59. DEA/7728-40

Le secrétaire adjoint du gouverneur général au sous-secrétaire d'État par intérim aux Affaires extérieures

Assistant Secretary to Governor General to Acting Under-Secretary of State for External Affairs

Ottawa, June 20, 1945

Dear Mr. Read,

Referring to your letter of the 18th instant, file No. 7728-40C, I beg to inform you that The King has given informal approval for the raising of the Canadian Legation to Greece to the rank of Embassy, and the appointment of Major General the Honourable L. R. LaFlèche as Canadian Ambassador to Greece.

Yours sincerely,

F. L. C. PEREIRA

SECTION H

INDE/INDIA

60. DEA/11004-40

Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures

High Commissioner of Great Britain to Under-Secretary of State for External Affairs

558/65 Ottawa, April 17, 1944

Dear Mr. Robertson,

You will remember that we had some discussion last November arising out of the Prime Minister's statement that the Canadian Government were anxious to appoint a High Commissioner for Canada in India.[36]

The Secretary of State for India has recently consulted the Government of India about the suggestion and, as a result, I have been asked to let you know that the Government of India would welcome the appointment of a High Commissioner for Canada in India on the basis of reciprocity. Should the Canadian authorities decide to proceed with the proposal, the authorities in London and the Government of India would be grateful if they could be informed in advance of any publication.

Yours sincerely,

MALCOLM MACDONALD

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[36] Voir le volume 9, documents 49, 50 et 824.
See Volume 9, Documents 49, 50 and 824.

61. DEA/11004-40

Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures[37]

High Commissioner of Great Britain to Under-Secretary of State for External Affairs[37]

558/65 Ottawa, September 25, 1945

CONFIDENTIAL

Dear Mr. Robertson,

You may remember that we had some discussion towards the end of 1943 regarding the possibility of the appointment by the Canadian Government of a High Commissioner for Canada in India — see in this connection my letter to you of the 17th April, 1944.

I have now been informed from London that the Government of India are anxious to appoint a High Commissioner to Canada as soon as possible, but before doing so would be glad to learn the intentions of the Canadian Government as to the appointment of a Canadian High Commissioner in India.[38] The Government of India would also like to know whether the Canadian Government would agree to the Government of India sending a High Commissioner to Canada even if, for the moment, no reciprocal appointment could be made for India.[39]

I should be very grateful if you would let me have the views of the Canadian Government on this matter and let me know what reply they would wish to be made to the enquiry from the Government of India.

Yours sincerely,

MALCOLM MACDONALD

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[37] N. A. Robertson se rendait alors à Londres avec le Premier ministre.
N. A. Robertson was then on his way to London with the Prime Minister.

[38] Note marginale:
Marginal note:
Still trying to secure the right person to send. Hope to find soon. K[ING]

[39] Note marginale:
Marginal note:
Yes. K[ING]

62. DEA/11004-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2394 Ottawa, October 12, 1945

Following for Robertson from Wrong, Begins: Has Prime Minister yet considered Indian proposal for exchange of High Commissioners? Hudd has copies of recent correspondence. In reply to question in House today Mr. St. Laurent is saying that he hopes an announcement can be made shortly and is referring to Prime Minister's reply to similar question last April.[40] Ends.

63. DEA/11004-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 3228 London, November 3, 1945

Following for Wrong from Robertson, Begins: Your telegram No. 2394. I told Secretary of State for India[41] that Government of Canada would be glad to receive an Indian High Commissioner whenever the Indian Government wished to appoint one, but that it might be some little time before we were able to reciprocate by appointing an Indian[42] representative in India. I gather from the conversation, which led nowhere, that the Secretary of State was not familiar with his precedessor's[43] interest in arranging for exchanges of High Commissioners between India and other parts of the Commonwealth.

2. From a subsequent conversation with Sir John Stephenson of the Dominions Office, I gained the impression that the United Kingdom Government did not intend to proceed very rapidly with the proposed appointment of a United Kingdom High Commissioner in Delhi. Ends.

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[40] Voir Canada, Chambre des Communes, *Débats*, 1945, 1ère session, p. 618.
See Canada, House of Commons, *Debates*, 1945, First Session, p. 596.

[41] Lord Pethick-Lawrence.

[42] Évidemment une erreur. Le mot voulu était «Canadian».
Obviously an error. "Canadian" was the intended word.

[43] L. S. Amery.

SECTION I

ITALIE/ITALY

64. DEA/9676-40

Le haut commissaire en Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Under-Secretary of State for External Affairs

London, February 22, 1945

Dear Mr. Robertson,

The new Italian Ambassador to Great Britain called on me a few days ago and in the course of his conversation asked whether I thought Canada would be prepared to permit his Government to re-open the Italian Consulate General in Montreal. Count Carandini seemed to attach less importance to the practical value resulting from the appointment of an Italian Consul-General in Canada than to the moral effect of our willingness to receive him. I told the Ambassador that I would make informal enquiries and in due course would let him know what the view of my Government was and whether they would be likely to give favourable consideration to a formal request.

Yours sincerely,

VINCENT MASSEY

65. DEA/9676-40

Mémorandum de la première direction politique à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures[44]

Memorandum from First Political Division to Special Wartime Assistant to Under-Secretary of State for External Affairs[44]

[Ottawa,] March 2, 1945

RESUMPTION OF DIPLOMATIC RELATIONS WITH ITALY

Under the Armistice regime which governs our relations with Italy, a state of war still continues until at least a preliminary peace is signed. The United Kingdom has established direct diplomatic relations with Italy without accrediting the Ambassador formally since such a procedure would involve addressing credentials to the Lieutenant of the Realm "who is still the King's enemy." Sir Noel Charles, therefore, carries the personal rank of Ambassador only. This arrangement took place in October of last year.

[44]G. Ignatieff à G. de T. Glazebrook.
G. Ignatieff to G. de T. Glazebrook.

Some days later the United States Government, after consulting with the Governments of the other American Republics, in accordance with the provisions of a resolution adopted at the Rio Conference, 1942,[45] announced that it was resuming diplomatic relations with Italy. Mr. Kirk was accredited formally as United States Ambassador. Although the United Kingdom had requested that the United States should follow procedure similar to that adopted in relation to Sir Noel Charles, the United States decision could not be reconsidered in view of consultations with the other American Republics. There is, therefore, a difference in the formal status of the United States and United Kingdom Ambassadors in Italy. The United States action was followed by the resumption of diplomatic relations by Chile. France is also expected to establish direct diplomatic relations with Italy shortly, as soon as the difficulties regarding Tunis are cleared up. Norway has resumed direct diplomatic relations with the Italian Government. In a Dominions Office telegram, Circular D. 40 of January 9th,[†] reference was made to the Turkish Ambassador and it was stated that certain representatives of the Latin American States expect to present their credentials shortly.

The position, therefore, appears to be that there is nothing to prevent Canada establishing direct diplomatic relations with Italy, so long as there is no exchange of diplomatic representatives accredited to the Heads of State in the conventional manner.

66. DEA/9676-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 824 Ottawa, April 8, 1945

SECRET. Your telegram No. 967 April 5th,[†] reopening of Italian Consulates General.

We have no objection in principle to the sending to Canada of an Italian representative. The arrangement suggested for South Africa, namely, an Italian agent with the personal rank of Consul General, would seem to be the most satisfactory one. It would provide for any business there may be and be consistent with the attitude taken by the United Kingdom and apparently other Commonwealth Governments.

You may therefore indicate to Count Carandini that a formal request along the above lines would be favourably received.

I note Carandini's inquiry referred to reopening of a consulate general in Montreal. Before the war the Italian Consul General for Canada resided in

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[45] La troisième réunion des ministres des Affaires étrangères des républiques américaines.
Third Meeting of the Ministers of Foreign Affairs of the American Republics.

Ottawa and I should think it desirable that a new Italian representative had his office here.

67. DEA/9676-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A. 161 London, May 5, 1945

With reference to my despatch No. A.132 of the 17th April,† concerning the proposal of the Italian Government to send to Canada an Italian Representative with the personal rank of Consul-General, I have the honour to enclose a copy of a letter from Count Carandini, the Italian Representative, dated May 3rd.† In this letter Count Carandini states that the Italian Government wishes formally to ask the agreement of the Canadian Government to the appointment of an Italian Representative in Ottawa with the personal rank of Consul-General as soon as possible. Count Carandini states also that the Italian Government will welcome the appointment of a Canadian Representative in Rome with the personal rank of Consul-General.

I presume that you will let me know in due course what answer I should give to Count Carandini.

I have etc.

J. W. HOLMES
for the High Commissioner

68. DEA/9676-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 696 Ottawa, May 12, 1945

Sir,

With reference to your despatch No. A. 161 of the 5th of May, 1945, and its enclosure, concerning the proposal of the Italian Government to send to Canada an Italian Representative with the personal rank of Consul General, I have the honour to request that you convey to Count Carandini the agreement of the Canadian Government to the appointment of an Italian Representative with the personal rank of Consul General, adding that it is noted that the Italian Government will welcome the appointment of a Canadian Representative in Rome with the personal rank of Consul General. It should also be added that the Canadian Government, while they believe our two countries would

greatly benefit by the proposed exchange of representatives, regret they are not in a position to reciprocate by sending a representative to Italy at present.

I have etc.

LAURENT BEAUDRY
for the Secretary of State
for External Affairs

SECTION J

MEXIQUE/MEXICO

69. DEA/1570-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-251 Washington, January 13, 1944

Following for Robertson from Pearson, Begins: The following letter addressed to Mr. McCarthy and dated January 13th has just been received from the Mexican Ambassador, Begins:

My Dear Mr. Ambassador,

The Honorable Norman A. Robertson, Under-Secretary of State for External Affairs, called on me last Saturday, January the eighth, and advised me that the Government of Canada was contemplating the establishment of a Legation in Mexico, it being expected that before the end of this month the respective Agreement would be requested.

He suggested that my Government might make a similar request, around the same date, through this Embassy.

Pursuant to instructions I have now received, I take pleasure in advising you that my Government concurs and wishes to know whether it will be agreeable to the Canadian Government to simultaneously give out the news to the press, once the respective Agreements have been granted.

Looking forward to receiving your reply, I am, my dear Mr. Ambassador,

Very sincerely yours,

FRANCISCO CASTILLO NAJERA
Ambassador

Ends.

70. DEA/1570-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-462 Washington, January 24, 1944

IMMEDIATE. Your EX-317 and EX-318 of January 22nd, 1944,† exchange of diplomatic representatives with Peru and Mexico.

Following letter has been taken by hand this afternoon to the Ambassador of Mexico:

My dear Mr. Ambassador,

May I refer to my letter of January 22nd† in reply to your note of the 13th instant, advising me that your Government concurs in the establishment of diplomatic relations between Mexico and Canada and wishes to know whether it would be agreeable to the Canadian Government to give out simultaneously the news to the press, once the respective agréments have been granted.

My Government has now instructed me to inform you that approval has been received for the exchange of diplomatic missions with Mexico. The Canadian authorities suggest that a simultaneous announcement might be made on Saturday morning, January 29th, at 10 a.m. E.D.T. I would appreciate it very much indeed if you could inform me as soon as possible whether this would be agreeable to your Government.

Yours very sincerely,

LEIGHTON MCCARTHY

Following note was also taken by hand at the same time to the Peruvian Ambassador:

Excellency,

In continuation of my note of January 10th,† and with reference to our previous exchange of correspondence concerning proposals to effect an exchange of diplomatic missions between Canada and Peru, I have the honour to state that, while the agrément which the Canadian Government have requested from His Majesty The King to the proposed appointment of Mr. Emilio Ortiz de Zevallos as Envoy Extraordinary and Minister Plenipotentiary of Peru to Canada has not yet been received, I have now been instructed to inform you that approval has been received for the exchange of diplomatic missions between Canada and Peru. I have been instructed also to ascertain from Your Excellency whether your Government would agree that a simultaneous announcement to that effect be made on Saturday morning, January 29th, at 10 a.m. E.D.T.

Please accept, Excellency, the renewed assurance of my high consideration.

LEIGHTON MCCARTHY

71. DEA/1570-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-505 Washington, January 26, 1944

IMMEDIATE. Reference my WA-462 of January 24th, and WA-481 of January 25th, 1944,[*] exchange of diplomatic missions with Mexico and Peru.

Following letter has been received today from the Mexican Ambassador:

Washington, D.C., January 26th, 1944

My dear Mr. Ambassador,

I am pleased to refer to your letter of January 24th advising me that the exchange of diplomatic missions between Mexico and Canada has been approved and that the Canadian authorities suggest that the simultaneous announcement mentioned in my letter to you of January 13th, be made on Saturday, January 29th, at 10:00 a.m. E.D.T.

My Government has now instructed me to inform you that it agrees with the above date and hour for the simultaneous announcement of the establishment of diplomatic relations and exchange of missions, to be made in Mexico City and Ottawa.

Very sincerely yours,
F. CASTILLO NAJERA
Ambassador

The First Secretary of the Mexican Embassy telephoned this morning to say that they might within the next 24 hours submit for the agrément of the Canadian Government the name of the official whom they would wish to send as their first Minister to Canada.

72. DEA/1570-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-416 Ottawa, January 29, 1944

Your message WA-581 of January 29th.[*] Please inform Mexican Ambassador that we will be very glad to submit name of prospective Minister to Canada for the King's agrément as soon as it is received. As you know from the case of the Peruvian nominee, this procedure may take a little time. The Canadian Government is naturally anxious to open Legations in Mexico and Peru as promptly as possible following on the announcement of our agreement

to exchange missions with those countries. Nomination of Ministers may, however, take a little longer than we had hoped, since selection of individuals concerned has not yet been finally determined and name when decided here has to be submitted to the King for formal approval. In circumstances simultaneous requests for agréments do not seem feasible. We see no objections to Mexico taking first step in the matter since we have now publicly agreed to exchange of missions.

73. DEA/6150-40

Mémorandum du premier secrétaire, ambassade aux États-Unis

Memorandum by First Secretary, Embassy in United States

CONFIDENTIAL Washington, February 29, 1944

MINUTE FOR FILE

Following the telephone conversation between Mr. Pearson and Mr. Robertson on Monday, February 28, Mr. McCarthy called on the Mexican Ambassador this morning at 12.30 p.m. to explain to him that Canada had, at the moment, a person of high intellectual attainments and of diplomatic experience, whom we would like to send to Mexico as Ambassador. It was wondered whether Mexico would agree to exchange Ambassadors instead of Ministers, and before taking any action, the Canadian authorities wanted to get the reaction of the Mexican authorities to such a proposal.

The Mexican Ambassador stated that he was delighted to hear this, and that he did not have to refer the matter back to his Government in order to accept the proposal to exchange Ambassadors instead of Ministers. When asked whether Dr. Del Rio, whose name had been put forward as Mexican Minister Designate to Canada, might be the first Mexican Ambassador to Canada, Mr. Najera replied in the affirmative.

This information was telephoned by Mr. McCarthy to Mr. Robertson at 6 p.m. today, and as a result Ottawa is immediately taking up with London the question of opening an Embassy in Mexico instead of a Legation. As soon as this has been cleared, the next step would apparently be to advise officially the Mexican Embassy here that it is now proposed to exchange Ambassadors instead of Ministers, and at the same time, put forward the name of our future Ambassador to Mexico.

H. A[LLARD]

74. DEA/6150-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-931 Ottawa, March 4, 1944

IMMEDIATE. Your WA-958, February 17th,† exchange of diplomatic missions with Mexico.

Please ask Mexican Ambassador to convey to his Government request for agrément to appointment of Honourable William Ferdinand Alphonse Turgeon as Canadian Ambassador Extraordinary and Plenipotentiary.

Mr. Turgeon is a member of the King's Privy Council for Canada; he was appointed Canadian Minister to Argentina and Chile in 1941. Prior to these appointments he was Chief Justice of Saskatchewan, a member of the Legislature of Saskatchewan and Attorney General of that Province; he has served with distinction on Royal Commissions regarding the grain trade and textile industry. He is married and will be accompanied by his wife and daughter.

We have received an informal indication of the King's approval of the appointment of Dr. Francisco Del Rio Canedo as Mexican Ambassador to Canada. I assume that Mexican authorites will communicate to us through you their request for agrément as Ambassador; though this is merely a formality.

75. DEA/6150-40

L'ambassadeur du Mexique aux États-Unis à l'ambassadeur aux États-Unis

Ambassador of Mexico in United States to Ambassador in United States

Washington, March 13, 1944

Excellency,

With further reference to Your Excellency's note of March 6th,† I take pleasure in informing Your Excellency, with the request that it be transmitted to the Government of Canada, that my Government is glad to grant the agrément in the appointment of the Honorable William Ferdinand Alphonse Turgeon, as Ambassador Extraordinary and Plenipotentiary of Canada to Mexico.

I shall appreciate the advices of Your Excellency as to the approximate date when Ambassador Turgeon expects to be in Mexico.

I avail etc.

F. CASTILLO NAJERA

SECTION K

PAYS-BAS/THE NETHERLANDS

76. DEA/1175-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires auprès des gouvernements alliés

Secretary of State for External Affairs to Chargé d'Affaires to the Allied Governments

TELEGRAM 13 Ottawa, January 29, 1945

SECRET. We are asking the Netherlands Minister at Ottawa to inform his Government that the Canadian Government desire to appoint Mr. Pierre Dupuy, C.M.G., as Canadian Minister to the Netherlands.

We have asked the Netherlands Minister to enquire whether the proposed appointment would be agreeable to the Netherlands Government.

77. DEA/1175-40

Le ministre des Pays-Bas au sous-secrétaire d'État aux Affaires extérieures

Minister of The Netherlands to Under-Secretary of State for External Affairs

Ottawa, February 9, 1945

Dear Mr. Robertson,

In answer to your letter of January 29th† in which you wrote me that the Canadian Government desire to appoint Mr. Pierre Dupuy C.M.G. as Canadian Minister to The Netherlands in succession to Major-General Georges P. Vanier, I have the pleasure to inform you that my Government has gladly given its "agrément" to this appointment.

Yours sincerely,

SNOUCK HURGRONJE

78. DEA/4600-A-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1598 Ottawa, July 12, 1945

Following for Minister to The Netherlands, Begins: The withdrawal of recognition from the Polish Government in London reduces the active functions of the Legation to the Allied Governments in London to those concerning the Netherlands Government. You should, therefore, henceforth discontinue the

former designation and describe your Mission only as the Legation to The Netherlands. While you will continue to be nominally Chargé d'Affaires to Czechoslovakia, Norway and Yugoslavia until separate appointments are made, in present circumstances this is a purely formal designation. Ends.

SECTION L

NORVÈGE/NORWAY

79. DEA/10215-40

Le chargé d'affaires auprès des gouvernements alliés au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires to the Allied Governments to Secretary of State for External Affairs

DESPATCH 252 London, June 21, 1945

Sir,

I have the honour to enclose a copy of a letter I have received from the Royal Norwegian Embassy† extending an invitation to diplomatic missions accredited to the Royal Norwegian Government to take up residence in Oslo at their earliest convenience.

2. I shall be grateful if you will be good enough to instruct me as to what reply should be made to this communication.

I have etc.

JOHN STARNES
for Chargé d'Affaires a.i.

80. DEA/10215-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires auprès des gouvernements alliés

Secretary of State for External Affairs to Chargé d'Affaires to the Allied Governments

DESPATCH 49 Ottawa, June 30, 1945

Sir,

I have the honour to acknowledge your despatch No. 252 of June 21st with which you enclosed a copy of a note† from the Norwegian Embassy offering to arrange accommodation in Oslo and passage to Norway for a Canadian diplomatic Mission. I suggest that in reply you should thank the Ambassador for his consideration and inform him that we look forward to establishing a diplomatic Mission in Oslo as soon as this can be arranged. He should, however, be given to understand that we regret we are not yet in a position to

take advantage of the facilities kindly offered by the Royal Norwegian Government.

I have etc.

H. H. WRONG
for the Secretary of State
for External Affairs

81. DEA/8191-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires de Norvège

Secretary of State for External Affairs to Chargé d'Affaires of Norway

No. 37 Ottawa, September 14, 1945

Sir,

I have the honour to inform you that the Canadian Government have under consideration the appointment of Mr. John Doherty Kearney, at present High Commissioner for Canada in Ireland, as Envoy Extraordinary and Minister Plenipotentiary for Canada in Norway, in succession to Major-General Georges P. Vanier.

I should be grateful if you would communicate this information by telegraph to the Norwegian Government and enquire whether the appointment of Mr. Kearney would be agreeable to them.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

82. DEA/8191-40

Le chargé d'affaires de Norvège au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires of Norway to Secretary of State for External Affairs

Montreal, October 3, 1945

Sir,

With further reference to your note of the 14th ultimo, No. 37, regarding the appointment of Mr. John Doherty Kearney as Envoy Extraordinary and Minister Plenipotentiary for Canada in Norway, I have the honour to inform you that Mr. Kearney's appointment is agreeable to the Norwegian Government, according to a cablegram received here on the 2nd instant.

Accept etc.

SECTION M

PÉROU/PERU

83. DEA/1476-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-86 Washington, January 5, 1944

Reference Mr. Robertson's letter December 22nd.[46] Have received following letter from Peruvian Ambassador, Begins:

January 3rd, 1944

Mr. Ambassador,

I have the honour to inform Your Excellency, with reference to previous correspondence† on the subject, that my Government has decided to establish a Legation in Ottawa, as from this date.

Mr. Emilio Ortiz de Zevallos, at present in Panama as Envoy Extraordinary and Minister Plenipotentiary, has been considered by my Government as our first envoy to Canada; but before proceeding to his proper appointment, they wish to know whether he would be persona grata to the Canadian authorities.

It is also the earnest desire of the Peruvian Government that Your Excellency's Government may find their way towards an early appointment of a corresponding Canadian Minister in Lima.

Please accept, Mr. Ambassador, the renewed assurances of my highest consideration.

M. DE FREYRE YS

Ends.

84. DEA/1476-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-568 Washington, January 29, 1944

IMMEDIATE. My WA-516 of January 26th, 1944† following is text of note received at 9:30 a.m. this morning from Peruvian Embassy:

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[46] Voir le volume 9, document 56.
See Volume 9, Document 56.

Peruvian Embassy Washington, D.C., January 28th, 1944

Excellency,

In reply to Your Excellency's note dated January 24th, 1944,† I have the honour to inform Your Excellency that the Peruvian Government accepts with pleasure your suggestion[47] to make a simultaneous announcement, on Saturday morning, January 29th, at 10 a.m., E.D.T., to the effect that an exchange of diplomatic missions between Peru and Canada has been agreed upon.

I take note that the agrément which the Canadian Government have requested from His Majesty The King to the proposed appointment of Mr. Emilio Ortiz de Zevallos as Envoy Extraordinary and Minister Plenipotentiary of Peru to Canada has not as yet been received.

Please accept, Excellency, the renewed assurances of my highest consideration.

M. DE FREYRE YS

85. DEA/1476-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, April 3, 1944

I am enclosing copy in translation of a telegram† which the Peruvian Consul-General here has received from his Government, instructing him to take up with us the question of making the missions to be exchanged between Canada and Peru Embassies from the start. I pointed out to him that up to now the only countries with which we had exchanged embassies had been full-fledged members of the United Nations and belligerent allies. Chile was technically in the same position as Peru—had broken off relations with the Axis countries and regarded itself as "associated" with the Allies. I did not think the Government could consider raising its representation in Peru to the status of an embassy without being ready to do the same for Chile. Davila said that he quite appreciated that from our point of view in Ottawa, it did not make much practical difference whether a mission was a legation, embassy or even, as in his own case, a consulate-general. He said he had always found all branches of the Canadian Government anxious to help him and not inclined to stand on points of protocol. He said he had to confess, however, that the position was rather different in his own country, where they still made a good deal of difference between ambassadors and ministers, not only in formal protocol, but in such matters as ease of access to the President or to the

[47]Voir le document 70.
See Document 70.

Minister for Foreign Affairs. What he said about the practice in Peru is very much along the lines of what Mr. Turgeon had reported about Argentina.[48]

86. DEA/1476-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1067 London, May 7, 1944

CONFIDENTIAL. Following for Wrong from Robertson, Begins: Your telegram No. 776.† Prime Minister has approved of our agreeing to Chilean and Peruvian proposals for raising our respective Missions to the rank of Embassy, and will take up direct with the Palace question of King's approval for elevation of Missions and designation of Chipman as Ambassador and agrément for Grove as Ambassador. Am I correct in assuming Peruvian Government wish to appoint Ortiz de Zevallos as Ambassador.[49]

You may inform Chipman and Davila confidentially of these developments but stress that no public announcement should be made until informal Royal Approval has been secured. Ends.

87. DEA/6590-40

Le sous-secrétaire d'État aux Affaires extérieures au chargé d'affaires du Pérou

Under-Secretary of State for External Affairs to Chargé d'Affaires of Peru

CONFIDENTIAL Ottawa, July 17, 1944

Dear Mr. Fernandez Davila,

The Canadian Government desire to appoint Dr. Henry Laureys as Ambassador Extraordinary and Plenipotentiary of Canada to Peru, and I should be grateful if you would communicate by telegraph to the Peruvian Government our request for agrément to this appointment. Dr. Laureys served as High Commissioner for Canada in South Africa from February, 1940, to March, 1944.

A Canadian citizen, born in Belgium on October 3rd, 1882, Dr. Laureys was educated at the University of Louvain and holds the degree of Doctor of

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[48]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Approved. W. L. M[ACKENZIE] K[ING] 4-4-44.

[49]Le gouvernement du Pérou nomma Alfredo Benavides qui présenta ses lettres de créance le 29 mars 1945.
The Government of Peru appointed Alfredo Benavides who presented his credentials on March 29, 1945.

Economic and Social Sciences. For some years he was Dean of the School of Higher Commercial Studies in Montreal. He represented the Province of Quebec at meetings of the International Society for Commercial Education at Amsterdam, London and at Prague. He has been Secretary of the Chamber of Commerce of Montreal and Vice-President of the Canadian Political Science Association. He is the author of a number of books and articles, including *The Foreign Trade of Canada.*

Dr. Laureys was married in 1912 and has three children, two of whom are serving in the Canadian Forces. He is a Roman Catholic.

Yours sincerely,

N. A. ROBERTSON

88. DEA/6590-40

Le chargé d'affaires du Pérou au sous-secrétaire d'État aux Affaires extérieures

Chargé d'Affaires of Peru to Under-Secretary of State for External Affairs

Ottawa, July 22, 1944

Sir,

I have the honour to inform you, with reference to your note of July 17th regarding the desire of the Canadian Government to appoint Dr. Henry Laureys as Ambassador Extraordinary and Plenipotentiary of Canada to Peru, that I have received by telegraph a communication of the Minister of Foreign Affairs of Peru, Dr. Solf y Muro, expressing the agreement of our Government to this appointment.

I have etc.

H. FERNANDEZ DAVILA

SECTION N

POLOGNE/POLAND

89. W.L.M.K./Vol. 384

Le haut commissaire par intérim en Grande-Bretagne[50] au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain[50] to Secretary of State for External Affairs

TELEGRAM 2839 London, October 1, 1945

SECRET. Following a conversation with me, Polish Ambassador in London has now informed me officially that his Government "are desirous to re-establish diplomatic relations with the Canadian Government and, accordingly, would be

[50]F. Hudd.

pleased if arrangements could be made for the exchange of representatives." Polish Government have in mind the appointment as Envoy Extraordinary and Minister Plenipotentiary to Canada of Alfred Fiderkiewicz, who was recently Polish Chargé d'Affaires ad interim in London and formerly Mayor of Cracow. He has asked me to approach my Government as to whether this appointment would meet with their approval.

2. Allen, who is in charge of Polish affairs at the Foreign Office states confidentially and informally that Fiderkiewicz is of the Extreme Left and probably a member of the P.P.R.[51] He is definitely not one of Mikolajczyk's[52] men. As an older man who has travelled a good deal and lived in the United States, he is not too fanatical to deal with. On the other hand, he is not a very impressive personality, and Allen does not think he carries much weight in Warsaw. His appointment in London was simply to carry on for a few weeks until Strasburger could arrive. My impression from my conversations with Allen, whose judgement I respect, is that, although the Poles might have made a better choice in their own interests, it would be difficult for us to refuse to accept their nominee.

90. W.L.M.K./Vol. 384

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2316 Ottawa, October 4, 1945

SECRET. Your telegram No. 2839 of October 1st. Before we proceed further to secure agrément for appointment of Fiderkiewicz as Polish Minister here, I think the matter should be discussed with the Prime Minister and Under-Secretary in London. We feel that Poles, in their own interest, should appoint a non-Communist to this post. You might draw Under-Secretary's attention to views expressed concerning this man in Dominions Office telegram D. 1372 of August 3rd.†

When we announced recognition of Polish Provisional Government, we stated that we expected to exchange diplomatic representatives with them and this, of course, still stands. I shall take no further action on your telegram until I hear again from you.

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[51] Parti des ouvriers polonais.
Polish Workers' Party.

[52] Vice-premier ministre de Pologne.
Vice-Premier of Poland.

91. CH/Vol. 2090

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3113 London, October 25, 1945

SECRET. Following for Wrong from Robertson, Begins: I told Strasburger, the new Polish Ambassador in London, that I thought it would be desirable if they could postpone establishing their new Mission in Ottawa until we were ready to open our Mission in Warsaw, which probably would not be for another three or four months. He said he would inform his Government of this view, adding, however, that he knew they were anxious to open a Mission in Canada as soon as possible. Mr. Fiderkiewicz was waiting hopefully in Cracow for his Agrément and in the meantime the Polish Government were encountering a number of practical difficulties arising from the fact that they had no representative in Canada. To meet these difficulties Strasburger thought his Government might wish to open a Consular Office in Canada straight away, deferring the establishment of a Diplomatic Mission, until we were ready to move. I said I thought this might be a good solution to their immediate problem.

2. Speaking quite privately to Strasburger I said that we had been rather surprised at his Government's nomination of a member of the Communist Party as their first Minister to Canada. There was no question of withholding Agrément on this account. The responsibility in the matter was strictly that of the Polish Government, but having in mind the large number of Poles in Canada, including many of recent and temporary immigration, another nominee might have received a warmer welcome from his own compatriots. Strasburger did not directly deny that Fiderkiewicz was a Communist, but said that all members of the P.P.R., to which party the Minister Designate belonged, were not Communists. Fiderkiewicz was a man of some professional standing and experience and not in any sense an agitator. He thought that if he were appointed Minister to Canada the Canadian Government would not have any occasion to complain about his conduct. Ends.

SECTION O

AFRIQUE DU SUD/SOUTH AFRICA

92. DEA/3011-A-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Afrique du Sud

Secretary of State for External Affairs to High Commissioner in South Africa

DESPATCH 14 Ottawa, February 3, 1944

Sir,

1. I have the honour to refer to the position of the Accredited Representative of the Union of South Africa in Ottawa as revealed in the terms of the South African Insurance Act, 1943.

2. In the correspondence which took place with the South African Government during the early part of 1938 concerning Mr. de Waal Meyer's appointment, the South African Government indicated its preference for an exchange of Ministers. As we were not prepared to exchange diplomatic agents between countries of the Commonwealth, the South African Government decided to appoint an "Accredited Representative." Our preference at that time was for the exchange of High Commissioners similar in status to the High Commissioners exchanged with the United Kingdom. In a confidential letter of February 26th, 1938,† to Dr. Skelton,[53] Dr. Bodenstein[54] stated that by using the title "Accredited Representative" they did not believe they could properly be considered to have indicated to Canada or to the world at large that they deemed themselves lower in status than the United Kingdom, nor were they aware of any rule laying down that a "High Commissioner" necessarily enjoyed a higher status than an "Accredited Representative."

3. The Canadian Government accepted the proposed title but objected to the South African desire to describe the Representative as being "on the footing of a diplomatic agent." The Government expressed its willingness to recognize the Representative "as having the same status and privileges and immunities as a High Commissioner." When, in 1939, our intention to appoint you as High Commissioner for Canada was expressed, no question was raised by the South African Government concerning the title we proposed to use.

4. Our intention [*sic*] has been drawn, however, to Section 17 sub-section (1) of the South African Insurance Act, 1943, which provides for the recognition of securities deposited by insurers with the Union's High Commissioner in London or with the Union's High Commissioners in Australia, Canada, or New Zealand, if such should be appointed. In a discussion in the Union House of Assembly on April 9th, 1943, it was made clear by the Minister of Finance

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[53] Sous-secrétaire d'État aux Affaires extérieures.
Under-Secretary of State for External Affairs.

[54] Secrétaire des Affaires extérieures de l'Afrique du Sud.
Secretary of External Affairs of South Africa.

that there was no High Commissioner in Canada, Australia, or New Zealand. When a member proposed an amendment providing for the depositing of securities with an approved person in Canada, Australia, or New Zealand, the Minister of Finance said that he was not prepared to take such a risk. It was indicated that Canadian and Australian insurers could make deposits with the South African High Commissioner in London, but apparently the South African Representative in Canada was not considered to have the proper status to receive deposits.

5. I should be glad if you would discuss this matter with the South African Government, expressing the hope of the Canadian Government that it will be found possible to raise the status of the South African representative in Canada to that of High Commissioner.

6. You might point out that the Canadian Government agreed to have the South African representative styled as Accredited Representative on the understanding that his status would not be lower than that of the High Commissioners and heads of diplomatic missions in Ottawa. We have at all times dealt with Mr. Meyer upon the assumption that he was on the same footing as the other heads of missions here.

7. You might inform the South African Government that the Canadian Government was disturbed by the statements made by the Minister of Finance in the Union Parliament which were cited in paragraph 4 and that, in view of these statements, we find it difficult to understand the position held by the Union Government's representative.

8. The implications of the Minister's statement are, all in all, rather puzzling. In recent years, and particularly since the 1926 Imperial Conference and the enactment of the Statute of Westminster, the Canadian Government has always regarded the formal relations between the Canadian Government and the Union Government as being essentially on the same footing as the relations between the Canadian Government and the Government of the United Kingdom, and we had assumed that the Union Government viewed these relations in the same light.

I have etc.

W. L. MACKENZIE KING

93. DEA/3011-A-40

Le haut commissaire en Afrique du Sud au secrétaire d'État aux Affaires extérieures

High Commissioner in South Africa to Secretary of State for External Affairs

TELEGRAM 59 Capetown, April 25, 1944

Reference your despatch No. 14 of February 3rd regarding change of name of Accredited Representative from the Union of South Africa to Canada, no action has been taken yet to change existing situation.

I discussed the matter with the Secretary of State for External Affairs shortly after my arrival and had further conference yesterday with the Acting Secretary who intends to follow the matter up and endeavour to get some action taken before Parliament adjourns, particularly to solve the problem of insurance companies by an amendment of the Insurance Act which would permit deposit of security with the Accredited Representative in Canada.

With reference to the exchange of correspondence with the Union Government in 1938 mentioned in despatch under reference, and the reluctance of Canadian Government at that time to permit the use of the term "Minister," may I suggest that developments have occurred since then and that the matter should now be given further consideration.

The term "High Commissioner" has two meanings, one of which carries with it administrative control and is objectionable on that account in some countries, for example, the High Commissioner from the United Kingdom to the Union of South Africa has a dual position, one of which gives him administrative control over certain Protectorates in South Africa. This causes confusion in this country and misunderstanding. Now that the Canadian Government has raised her Ministers to foreign countries to the rank of Ambassador, may I suggest that the matter might be considered at the Prime Ministers Conference in London, and that appointee from one Dominion to another should be styled Ambassador of the British Commonwealth from Canada to Australia or other Dominions. I think that this designation would be acceptable in all Dominions.

94. DEA/3011-A-40

Extrait d'une lettre du sous-secrétaire d'État adjoint aux Affaires extérieures au haut commissaire en Afrique du Sud

Extract from Letter from Assistant Under-Secretary of State for External Affairs to High Commissioner in South Africa

PERSONAL AND CONFIDENTIAL Ottawa, June 13, 1944

Dear Charlie [Burchell],

Norman has already written a letter† which in part answers some of the questions you took up in your personal letter to me of May 23rd.† I have nothing to add to what he said on the question of altering the title of the South African Representative here and on the position of de Waal Meyer.

I have never liked the title of High Commissioner myself, but I think it improbable that it will be changed for some time to come. There is certainly no unanimity on the change. Even if we could reach agreement on a suitable alternative title, there are a good many who would oppose any alteration at all.

I should find it difficult to endorse the form of title which you recommend. If we are going to use diplomatic titles at all, I should favour going the whole way and calling our High Commissioners Canadian Ambassadors or Ministers to the countries in which they are serving. There are technical arguments against this since an Ambassador is accredited always by the Head of a State

to the Head of a State and not from Government to Government. I have been playing about with the use of some alternative title without such technical meaning, like "Envoy," but I have got nothing in mind that seems worth considering.

...

Yours sincerely,

HUME WRONG

95. DEA/3011-A-40

Le sous-secrétaire d'État aux Affaires extérieures au haut commissaire en Afrique du Sud

Under-Secretary of State for External Affairs to High Commissioner in South Africa

PERSONAL AND CONFIDENTIAL Ottawa, November 27, 1944

Dear Charlie [Burchell],

I have received your two personal letters† of October 27th and November 6th concerning the report that Dr. Viljoen may be appointed as South African representative here. He is, of course, a very senior member of the South African Public Service and I think that there are no grounds on which we could base any objection to his selection. The considerations which you advance must be weighed by General Smuts before the appointment is made rather than by us.

I have very recently written to you about your objections to the title of High Commissioner, indicating that nothing can in my view be done to change this title for some little time. Leaving out of account the representatives appointed by some Commonwealth countries in India and the Indian High Commissioners in the Commonwealth and also omitting our own High Commissioner in Newfoundland from the reckoning, there are about twenty High Commissioners now in office in Commonwealth countries and it would be difficult to change the title of one of them without changing the title of them all. One special difficulty which I have not mentioned is that any move in this direction at the present time would open up the question of the position of Ireland within the Commonwealth over an issue of minor importance; this thorny matter must surely be faced on its merits.

You will note that I do not oppose your suggestion on grounds associated with the nature of the crown or other constitutional points. I agree with you that the conception of the place of the crown is flexible enough to permit the adoption of diplomatic titles in place of the title of High Commissioner.

Yours sincerely,

N. A. ROBERTSON

96. W.L.M.K./Vol. 379

Le haut commissaire en Afrique du Sud au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in South Africa to Under-Secretary of State for External Affairs

Cape Town, January 5, 1945

Dear Norman [Robertson],

I duly received your letter of November 22nd† in which you suggest that I might talk over informally with General Smuts the possibility of South Africa adopting for their representative in Ottawa the title which they accord to their representative in London.

As your letter was received after we had moved to Cape Town and as General Smuts will not be in Pretoria until some time next week, I felt that I knew him well enough to send him a personal note on the subject, a copy of which is enclosed herewith.

Since writing this note I have learned that it is quite possible, and indeed very probable, that Dr. Viljoen will be given the title of High Commissioner. The fact of his appointment has not been made public, although it is common knowledge on the street that he is to have this position. One of the anti-government papers, *Die Vaderland*, which was received this morning contained the statement not only that Dr. Viljoen is to be appointed but that he is to be given the title of High Commissioner and not of Accredited Representative. A translation of the article† is enclosed herewith.

Mr. du Plessis[55] arrived in Cape Town this week for the Parliamentary session and I will take the opportunity of discussing the matter informally with him during the next day or two. I find du Plessis very agreeable as, indeed, I do all the officials of the Department of External Affairs and I feel that I can talk very frankly with any of them.

Yours faithfully,

C. J. BURCHELL

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[55] Secrétaire politique, ministère des Affaires extérieures de l'Afrique du Sud.
Political Secretary, Department of External Affairs of South Africa.

[PIÈCE JOINTE/ENCLOSURE]

Le haut commissaire en Afrique du Sud au premier ministre d'Afrique du Sud

High Commissioner in South Africa to Prime Minister of South Africa

PERSONAL

Cape Town, December 28, 1944

My dear Prime Minister,

You will recall that in a despatch dated the 9th of March, 1944,† my predecessor, Dr. Laureys, in accordance with instructions received from the Prime Minister of Canada,[56] put forward the suggestion that the representative from the Union to Canada should bear the title of High Commissioner which is the title of all representatives from the other Dominions to Canada.

Before I left Canada last March the Prime Minister discussed this matter with me and mentioned his desire of having a uniform title for representatives from one Dominion to another.

By recent mail I received a further letter† from the Under-Secretary of State for External Affairs and he again mentions the desire in Canada that the successor to Mr. de Waal Meyer should carry the title of High Commissioner from the Union of South Africa to Canada and he suggested that I should discuss the matter informally with you and with the officers of the Department of External Affairs in Pretoria.

It is pointed out that while the matter is not regarded as one of great importance, we now have in Ottawa High Commissioners from the United Kingdom, Australia, New Zealand and Ireland, including a former member of the United Kingdom Cabinet, an Australian general and former Senator, a former member of the New Zealand Cabinet who relinquished his portfolio to come to Canada and one of the very senior and experienced officers of the Irish Department of External Affairs.

It is further mentioned that all these gentlemen would be eligible for appointment to head diplomatic missions in foreign countries, and that from the point of view of the appointing governments their designation of High Commissioners instead of Ambassadors or Ministers had made no difference in their selection.

The representative from South Africa who up to the present time has carried the title of "Accredited Representative" has always been treated at Ottawa as though he bore the title of High Commissioner and is given exactly the same status as the High Commissioners from the other Nations of the British Commonwealth and, indeed, as Ambassadors and Ministers from foreign countries. His title, however, always requires explanation and more, perhaps, for the sake of uniformity than for any other reason, the Canadian Government would prefer that the representative of the Union should carry the

[56] Voir le document 92.
See Document 92.

same designation as that used by other Commonwealth Nations. This arrangement, if agreed to by you, will not prejudice any later general agreement to alter the title of High Commissioner if this is subsequently desired by the Union Government or by Canada or any other Dominion.

Yours faithfully,

C. J. BURCHELL

97. W.L.M.K./Vol. 379

Le haut commissaire en Afrique du Sud au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in South Africa to Under-Secretary of State for External Affairs

Cape Town, January 8, 1945

Dear Norman [Robertson],

In my letter of January 5, 1945, I sent you a copy of a letter which I had sent to General Smuts regarding changing the designation of the representative of the Union in Canada.

I now enclose a copy of a letter received from Mr. Forsyth in reply, and I think you can count with certainty on the new appointee being given the title of High Commissioner.

I am bound to say that the letters received from you and Mr. Wrong have convinced me that the present time is not opportune for making any change in the title of High Commissioners. I am glad to note, however, that you agree with me that the Dominion has now reached the stage of self-government that there are no technical difficulties in changing the title if, as, and when the time is opportune. It is certainly a most unfortunate title to give to a representative from one Dominion to another in view of the aroma which surrounds this title in respect of representatives from the United Kingdom to colonies, protectorates and mandated territories.

Yours faithfully,

C. J. BURCHELL

[PIÈCE JOINTE/ENCLOSURE]

Le secrétaire aux Affaires extérieures de l'Afrique du Sud au haut commissaire en Afrique du Sud

Secretary for External Affairs of South Africa to High Commissioner in South Africa

Pretoria, January 3, 1945

My dear High Commissioner,

I have, by direction, to acknowledge the receipt of your letter of the 28th December, 1944, on the subject of the designation of the Union Government's

representative in the Dominion of Canada, and to state that the suggestion of your Government is noted and will be borne in mind when the next appointment is made.

Yours faithfully,

D. D. FORSYTH

98. W.L.M.K./Vol. 388

Le représentant accrédité par intérim de l'Afrique du Sud au sous-secrétaire d'État par intérim aux Affaires extérieures

Acting Accredited Representative of South Africa to Acting Under-Secretary of State for External Affairs

No. 9 Ottawa, May 21, 1945

Sir,

I have the honour, by direction of the Government of the Union of South Africa, to inform you that it has been decided to alter the designation of their representative in Canada to "High Commissioner for the Union of South Africa," and that it is proposed to appoint Dr. Philippus Rudolph Viljoen, presently Secretary for Agriculture and Forestry in the Union Government, to that post.

As it is desired that this information should be communicated to the Canadian authorities as a matter of urgency, the *curriculum vitae* in respect of Dr. Viljoen, together with further details relating to his appointment, will be made available in a separate communication† in the near future.

I have etc.

H. NEETHLING

99. W.L.M.K./Vol. 388

Le secrétaire d'État par intérim aux Affaires extérieures au représentant accrédité par intérim de l'Afrique du Sud

Acting Secretary of State for External Affairs to Acting Accredited Representative of South Africa

No. 6 Ottawa, May 21, 1945

Sir,

I have the honour to acknowledge the receipt of your Note No. 9 of May 21st, informing me that the Government of the Union of South Africa have decided to alter the designation of their representative in Canada to "High Commissioner for the Union of South Africa," and that it is proposed to appoint Dr. Philippus Rudolph Viljoen, presently Secretary for Agriculture and Forestry in the Union Government, to that post.

I understand from your conversation with Mr. Measures of this Department that Mr. Viljoen will probably arrive in Canada in August.

I have etc.

[?]

SECTION P

ESPAGNE ET PORTUGAL
SPAIN AND PORTUGAL

100. DEA/8150-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2760 London, September 24, 1945

SECRET. The Duke of Alba, Spanish Ambassador at the Court of St. James, who will shortly be retiring, called upon me today and said it was desired to raise the status of the Consulate General in Montreal to that of a Mission in Ottawa, and that the Spanish Government would welcome an exchange of Missions. The Ambassador asked me to communicate to you the desire of the Spanish authorities and to ask for a reply.

101. DEA/8150-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2933 London, October 10, 1945

SECRET. Following for Wrong from Robertson, Begins: Your telegram No. 2281 of October 1st.† We shall inform Spanish Embassy here that Canadian Government is not prepared to receive a Diplomatic Mission from the present Spanish Government, and shall probably take advantage of the occasion to observe that this decision is not uninfluenced by the Spanish Government's handling of Kobbe case.[57] Ends.

[57] Voir le volume 9, chapitre IX, partie 13.
See Volume 9, Chapter IX, Part 13.

102. DEA/8150-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A.521 London, October 27, 1945

SECRET

Sir,

1. I have the honour to refer to my telegram No. 2760 of September 24th regarding the desire of the Spanish Government to exchange missions with Canada.

2. In my despatch No. 482 of October 16th† I informed you that the Duke of Alba, Spanish Ambassador, had been advised by letter† that the Canadian Government was not prepared to receive a diplomatic mission from the Spanish Government, and that this decision, although based on grounds of general policy, was not uninfluenced by the Spanish Government's handling of the case of Señor de Kobbe. My despatch No. A.489 of October 18th† will have indicated to you that, after discussion with Mr. Robertson, it was decided that instead of sending a written reply it might be advisable to wait until the arrival of the new Spanish Ambassador, when the Canadian Government's reply could be communicated to him orally.

3. I today[58] received a call from the Marqués de Santa Cruz, Spanish Minister and Chargé d'Affaires in London, with regard to this subject, and I took advantage of the opportunity to inform him orally of the Canadian Government's decision.

4. The Marqués de Santa Cruz made no comment.

I have etc.

FREDERIC HUDD

103. DEA/7373-K-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur de Grande-Bretagne en Espagne

Secretary of State for External Affairs to Ambassador of Great Britain in Spain

TELEGRAM Ottawa, November 24, 1945

For your information, the Canadian Government are establishing a Canadian Consulate General at Lisbon, and have appointed to this post Mr. L.

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[58]Le mémorandum sur cette conversation dans les dossiers de Canada House est daté du 26 octobre.

The memorandum on this conversation in the Canada House records is dated October 26.

S. Glass, with the rank of Consul; Mr. Glass will be Acting Consul General pending the appointment of a Consul General.

Mr. Glass will also be Canadian Trade Commissioner at Lisbon. In this capacity only, his territory will include Spain, Spanish Morocco and the Canary Islands.

It would be appreciated if you could inform the Spanish Government of Mr. Glass' appointment as Trade Commissioner in Spain. It is possible that Mr. Glass, who is at present in England, may travel via Spain to reach Lisbon, in which case he might request that the usual Customs and Immigration courtesies be extended to him.

SECTION Q

SUISSE/SWITZERLAND

104. DEA/26-XC-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH 1403 London, July 19, 1945

Sir,

I have the honour to refer to my telegram No. 2024 of 19th July† in which I informed you that the Swiss Federal Council desire to establish a Legation at Ottawa, and hope that the Canadian Government will appoint a Minister in Berne. Herewith is enclosed a copy of a letter dated 19th June from the Swiss Minister in London to the Prime Minister of the United Kingdom on this subject. The delay in transmitting this communication to us was due to an oversight in the Foreign Office, for which the Dominions Office have expressed their regrets. In the meantime, I believe that the Swiss Minister has been enquiring as to whether a reply had been received from the Canadian Government.

I have etc.

VINCENT MASSEY

[PIÈCE JOINTE/ENCLOSURE]

Le ministre de la Suisse au Premier ministre de Grande-Bretagne

Minister of Switzerland to Prime Minister of Great Britain

London, June 19, 1945

Sir,

I have the honour to inform you under the instructions of my Government that the Swiss Federal Council, desiring to strengthen the traditional relations

between Switzerland and the Dominion of Canada, have decided to establish a legation at Ottawa.

The Federal Council hope likewise that the Government of the Dominion of Canada, on their part, may consider the possibility of appointing a Minister to Switzerland with residence in Berne.

If the decision of the Swiss Federal Council meets with the consent of the Government of Canada, the Federal Council would be happy to appoint at an early date an Envoy Extraordinary and Minister Plenipotentiary in Ottawa.

I am instructed to ask your kind assistance in view of informing accordingly His Majesty's Government in the Dominion of Canada.

I have etc.

PAUL RUEGGER

105. DEA/26-XC-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, July 27, 1945

I am attaching copy of a letter of July 19th from our High Commissioner in London, transmitting copy of a letter dated a month earlier from the Swiss Minister in London to the Prime Minister of the United Kingdom.

The Government of Switzerland wishes to establish a Legation in Ottawa, and would be glad if the Canadian Government would appoint a Minister to Berne. If the proposal to establish a diplomatic mission in Canada is acceptable to the Canadian Government, the Government of Switzerland would ask for agrément for Dr. Victor Nef, formerly Consul General in New York, as their first Minister to Canada.

You will recall that some three years ago we proposed an exchange of diplomatic representatives with Switzerland, but the Swiss, who were resisting pressure from the Germans to have them receive Ministers from Slovakia and Croatia and other puppet Nazi states, tried to strengthen their position by laying down the principle that they would not enter into new diplomatic relations with any country for the duration of the war in Europe. For this reason they felt unable to receive a Canadian diplomatic mission in 1942.

Switzerland is now anxious to develop direct diplomatic relations with those countries of the United Nations in which it did not have diplomatic missions before the war. It has already recognized the new Provisional Government of Poland and it is desirous of exchanging missions with Canada, Australia, New Zealand and South Africa.

I am inclined to reply to the Swiss note to the effect that Canada would welcome the establishment of a Swiss Legation in Ottawa and be agreeable to the appointment of Dr. Nef as Minister. At the same time, we should point out

that the establishment of a Canadian mission in Switzerland may have to be deferred for some little time. Certainly we would have to complete our arrangements for representation in Allied countries which have maintained missions in Ottawa during the war before we could proceed with the establishment of an office in Berne.[59]

N. A. R[OBERTSON]

106. DEA/26-XC-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 2075 Ottawa, September 8, 1945

Your telegram No. 2554† and earlier messages regarding exchange of diplomatic missions with Switzerland. Please convey to Swiss Minister our real regret for the very long delay in replying to his enquiry and inform him that the Canadian Government would welcome the establishment of a Swiss Legation in Canada. The King's informal approval of Dr. Nef's appointment as Swiss Minister is being sought and may be expected shortly.

In advising the Swiss Minister to this effect, you should explain that the establishment of a Canadian mission in Switzerland may have to be deferred for some little time. It is felt that we would have to proceed further with arrangements for representation in Allied countries which maintained missions in Ottawa during the war before proceeding with the establishment of an office in Berne.

107. W.L.M.K./Vol. 333

Mémorandum du sous-secrétaire d'État par intérim aux Affaires extérieures au secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Acting Secretary of State for External Affairs

Ottawa, October 1, 1945

The Formal Submission† to the King for the establishment of a Swiss Legation in Ottawa and the appointment of Dr. Victor Nef as Minister of Switzerland in Canada,† is attached for your signature.

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[59] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
I agree. W. L. M[ACKENZIE] K[ING] 4-8-45

On September 8th the Prime Minister approved the establishment of a Swiss Legation in Ottawa and the appointment of Dr. Victor Nef as Minister; and on September 14th we were advised that His Majesty the King had informally approved this appointment.

H. H. W[RONG]

108. DEA/3000-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2896 London, October 5, 1945

Following is repetition of telegram No. 1520 of 3rd October from Berne to Foreign Office. Message begins: Please pass following to Canada House from Rive. Begins: For Secretary of State for External Affairs and N. A. Robertson.

I saw Stucki[60] this morning and cannot exaggerate his concern over the delay in exchange of Ministers. They are most anxious to have Nef at Ottawa at the earliest possible moment, both "for national reasons" and because the movement of their officers to posts where they are urgently needed has to await Nef's departure from New York. It is too late now for them to free the post of Consul General at New York by any different assignment for Nef.

Stucki is equally anxious to see Canada represented at Berne. I explained that shortage of personnel made our position difficult. He said that he understood, but would I enquire whether, "as a favour" to the Swiss and as evidence of cordial relations, the Canadian Government would make gesture accrediting General Vanier as Minister to Switzerland until a successor could be found. He said that he knew General Vanier personally and that the General's qualities were known to many of the Swiss. (Query. Group omitted)[61] would be well received in Switzerland. He said that the suggestion was his own and not from his Government, but he knew it would be acceptable. He hoped that Nef could go to Ottawa and a step be made publicly towards Canadian representation at Berne without further delay. He was very keen on early publicity about Canadian and Swiss relations. I promised to report the conversation at once to Ottawa. With regard to Nef, I said I was not directly concerned, but that I understood from the officers responsible that the Swiss would very shortly receive agrément. Ends. Message ends.

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[60] Chef, la direction fédérale des Affaires étrangères de Suisse.
Chief, Federal Division for Foreign Affairs of Switzerland.

[61] Sans doute une référence à la nomination du général Vanier.
No doubt a reference to General Vanier's appointment.

109. DEA/26-XC-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2340 Ottawa, October 6, 1945

Your telegram No. 2896 of October 5th. In light of our telegrams to you No. 2075 of September 8th and No. 2142 of September 15th,† we are puzzled by indication in Rive's report that Swiss Foreign Office has not received our agrément for Nef's appointment. The Swiss Government are free to announce his appointment whenever they wish. If they desire simultaneous announcement made here, we shall be glad to do so.

2. With regard to the suggestion that Vanier be accredited also to Switzerland, you will doubtless bring this to the Under-Secretary's attention after his arrival in London.

3. If Rive is still in Berne, you might advise him also of our agrément for Nef.

110. DEA/26-XC-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2919 London, October 8, 1945

Your telegram No. 2340 of October 6th. Dominions Office were informed on 10th September of the Canadian Government's acceptance of establishment of Swiss Legation and on 16th September that appointment of Dr. Nef had been informally approved by the King. Swiss Legation in London were informed on 18th September by Foreign Office.

2. On receipt of Rive's telegram we communicated directly with Counsellor of Swiss Legation to clear up any misunderstandings. Counsellor thereupon asked for formal approval as requested in my telegram No. 2904 of October 5th.† We have now pointed out to Counsellor that Swiss Government are free to announce Nef's appointment whenever they wish. Counsellor is communicating with Berne and will notify us of his Government's intentions so that simultaneous announcement might be arranged, if this is considered desirable.

3. Rive has returned to London and conveyed proposal concerning General Vanier to the Under-Secretary.

111. DEA/3000-40

Le deuxième secrétaire, le haut commissariat en Grande-Bretagne, au sous-secrétaire d'État par intérim aux Affaires extérieures

Second Secretary, High Commission in Great Britain, to Acting Under-Secretary of State for External Affairs

London, October 27, 1945

Dear Mr. Wrong,

I should like to refer to our telegram No. 2919 of 8th October, and previous correspondence concerning the appointment of a Swiss Minister in Ottawa. You may wish to have a little more information on the negotiations, in view of the fact that they seem to have led to a maximum of misunderstanding on the part of the Swiss. The Swiss authorities apparently attach a good deal of importance to this exchange of missions, and are not a little impatient.

The proposal for an exchange of missions was first made by the Swiss Minister in London in a letter dated 19th June to Mr. Churchill.[62] It was unfortunately held up in the Foreign Office and reached us only in a letter from the Dominions Office dated 19th July.† The Foreign Office were apologetic about the delay, both to us and to the Swiss. As instructed by External Affairs in your telegram No. 2075 of the 8th September, we accepted the responsibility for the subsequent delay in reply, and expressed our regret to the Swiss. Throughout the summer the Swiss kept expressing their anxiety and impatience by constant telephone calls to the Foreign Office which were relayed to the Dominions Office and thence to Canada House. Eventually this channel of communication was cut down to direct communication between Lord Reay of the Foreign Office and myself.

The final confusion, and possibly the most serious, seems to have arisen over the question of formal and informal agréments. We informed the Foreign Office on the 16th September of the King's informal approval of the appointment, and the Foreign Office informed the Swiss Legation on the 18th September. It was our natural expectation that the next move would come from the Swiss. We were therefore very much surprised to receive Mr. Rive's telegram from Berne, of 3rd October.[63] As we suspected that the Swiss authorities would raise the subject with Mr. Rive we had explained to him the situation, as it existed at that time, before his departure for Switzerland. This evidence of complete misunderstanding made it seem desirable to get into direct communication with the Swiss themselves. I talked on several occasions, therefore, to M. Escher, the Counsellor of the Swiss Legation in London, who, as a good republican, seemed to become increasingly confused over the question of agréments. Some of the misunderstanding, I suspect, has been initiated by Lord Reay, whose explanations to M. Escher had not always been

[62] Voir la pièce jointe, document 104.
See enclosure, Document 104.

[63] Voir le document 108.
See Document 108.

the same as ours. Acting on Mr. Robertson's advice I explained to the Swiss that the formal agrément of the King was something which they need not wait for. Lord Reay, however, suspected us of *lèse majesté*, and queered the works. For this reason the Swiss have not yet responded to our suggestion, following your telegram No. 2340 of 6th October, concerning a concerted announcement. Instead, they have sat waiting for the formal agrément and continued to press the Foreign Office. We have now learned informally from the Palace that the formal agrément has been signed by the King and this information has been passed on informally to the Swiss.

Although we have made every effort to explain the situation carefully to M. Escher and to make it clear to him that although we freely accepted responsibility for the delay from 19th July to 19th September, subsequent misunderstandings were not of our creation. However, if one might judge from Mr. Rive's telegram, the Swiss may feel somewhat aggrieved. They are undoubtedly disappointed that Canada will not establish a Mission in Berne for reasons of prestige among other things. The proposals which they made through Mr. Rive are under consideration by Mr. Robertson, who will no doubt communicate his decision to you. In my informal discussions on this subject with the Foreign Office I have pointed out the nature of our previous obligations to Allied countries such as Norway and Czechoslovakia, as well as to a neutral country like Sweden which has had a Minister in Ottawa for several years.

I have entered into this somewhat detailed explanation in the expectation that you may wish to have this account for reference if it is necessary to clear away any clouds which hover over the Swiss Legation at Ottawa when it is established.

Yours sincerely,

J. W. HOLMES

112. DEA/3000-40

Mémorandum du sous-secrétaire d'État par intérim aux Affaires extérieures au secrétaire d'État par intérim aux Affaires extérieures[64]

Memorandum from Acting Under-Secretary of State for External Affairs to Acting Secretary of State for External Affairs[64]

[Ottawa,] October 30, 1945

I enclose a copy of a press statement† which we are giving out concerning the establishment of a Swiss Legation in Ottawa. In this statement we say nothing about reciprocal action on our part. When the Swiss put forward their proposal, they said that they had decided to establish a Legation in Ottawa, if

[64] H. H. Wrong à L. S. St. Laurent.
H. H. Wrong to L. S. St. Laurent.

we would agree, and they hoped that we would consider appointing a Minister in Berne. In answering, we said that the opening of a Canadian Legation in Switzerland might have to be deferred for some time, since we would have to proceed further with arrangements for representation in Allied countries which had established missions in Ottawa during the war, before proceeding with the establishment of an office in Berne.

I think it best not to include an explanation of this sort in a statement to the press, but if questions are asked there is no reason why they should not be answered on these lines.

The Swiss have also suggested, informally, that we might, as an interim measure, accredit Vanier in Berne as well as in Paris. I rather think the Prime Minister, who was informed of this in London early this month, will be reluctant to agree, as we have been resisting efforts of various countries to accredit their representatives in Washington to Ottawa as well, and it would be rather inconsistent for us to adopt a similar course ourselves with respect to two capitals as far apart as Paris and Berne.

SECTION R

ÉTATS-UNIS/UNITED STATES

113. W.L.M.K./Vol. 363

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-147 Ottawa, January 12, 1944

MOST IMMEDIATE. Following from the Prime Minister for the Hon. Leighton McCarthy, Begins: As this morning you present to the President of the United States the letters of credence' given you by His Majesty the King, as His Majesty's Canadian Ambassador the first ambassador of Canada accredited to the head of any nation I should like to send you my warmest congratulations and very best of wishes.

The honour which falls on you today is one in which the whole of Canada will wish to share. It is a crowning touch upon the strong ties of friendship and understanding which Canada has so long enjoyed with the United States. It is a mark of the emergence of Canada as a world power of major rank. Today's ceremony will also, as I hope, build a firmer basis of understanding and cooperation upon which the efforts of both our countries may be directed ever more vigorously until the war has been won, and with increasing usefulness in the days of peace.

I wish you would say to the President how pleased I am that Canada's first Embassy should be established in the country of our good neighbour, and that this event in the history of the relations of our two countries should have its association with his tenure of office as President of the United States and my

own tenure of office as Prime Minister of Canada; also its association with one who is so intimate and old a mutual friend as yourself. I can think of no happier evidence of the cordiality of the relationships of the peoples of our two countries. It is my earnest prayer that the international friendship thus expressed may remain unbroken through the centuries to come.

Kindest personal regards,

W. L. MACKENZIE KING

Ends.

114. W.L.M.K./Vol. 363

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-217 Washington, January 12, 1944

IMMEDIATE. For immediate action. Following for Robertson from Mahoney, Begins: Our WA-6456, December 29th,[†] following is text of the President's reply to the remarks of Mr. McCarthy upon presentation of his letters of credence and which will be released by Department of State along with Ambassador's remarks at 3 p.m. this afternoon, Begins:

Mr. Ambassador, I am happy indeed to welcome you, an old friend, as Canada's first Ambassador to the United States and to receive from your hands the letter[†] by which His Majesty the King has accredited you in this new capacity.

On this significant occasion, as you have made clear, we may rejoice in the broad scope and effectiveness of our collaboration in war. In Italy as in the Aleutians, in the skies of Europe as, later, in the skies of Asia, and on all the oceans our comradeship in arms will have forged enduring bonds in the struggle against mutual enemies both east and west.

At home as well, we have unlocked the doors to economic cooperation, continental in scope, for the prosecution of the common cause. We too are determined that such cooperation will continue in the peace to come for the benefit of both our peoples and the world in general.

Through long years Canada and the United States, each confident of the good will of the other, have worked out their problems as neighbors, faithful always to the principle that the best solution of each problem is the solution which is to the mutual advantage of both. The solid achievements of the past are the best possible earnest of even greater achievements in future.

I assure you, Mr. Ambassador, that you may count on the continued support and friendship of the authorities of this Government who hope, as I do, that your several years as Minister here will be succeeded by many equally successful years as Ambassador. Ends.

Protocol Division of State Department have just telephoned to say that this Mission became officially an Embassy at 12:20 p.m. Ends.

115. DEA/9323-B-40

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Secretary of State for External Affairs

Washington, March 7, 1944

Dear Norman [Robertson],

I have been meaning to write you for some time about a gathering of all the British Consuls in the U.S.A. which was held in Washington a few weeks ago. It was a sort of refresher course and pep talk combined. They do it every year. This time, Sir Gerald Campbell and Stephen Holmes asked me if I would quite informally talk to them on Canada and things Canadian. This seemed to be a reasonable thing to do, as so much of the work of so many of them is for Canada. They also wanted to know about Canada and the Commonwealth, Dominion status, etc. It was almost pathetic, and not a little humiliating to me as a Canadian, to have them ask me questions—many of them very elementary questions—about my own country so that they would be in a position to deal with enquiries about Canada which they received. Some of the border Consuls stated that more than 75% of their work deals with Canadian affairs. Some of these men—and they seemed to me to be very good men—who are representing us in this way have never been inside Canada and naturally know very little about it. I am surprised that Vaillancourt in his letter to Brooke Claxton,† a copy of which you sent me, did not refer to what I think is one of the worst examples of our reluctance to accept the full responsibilities of the status about which we boast, namely, our continued use of British Consuls in places where so much of the work done is Canadian.

When I asked the Consuls how they would feel if Canadian consular offices were opened in their territories, they were unanimous in their approval. This approval may have been inspired in part by the fact that such appointments would relieve them of much of their present work, but I think they had other and better reasons for it. One or two said that it would be a striking example of the real meaning of the Commonwealth if British and Canadian Consuls could function quite separately in United States cities. As an indication, however, that at least one of the Consuls missed the point in my suggestion, I am enclosing a copy of a letter from C. H. Cane, British Consul General in Detroit,† and a copy of my reply.† Cane seemed to be a very good sort of person; very willing and obliging, and quite proud of the fact that he was, as he put it, more of a Canadian Consul than a British Consul in his city. He obviously, however, missed the point about the significance of separate Canadian Consuls, and I am afraid might be inclined to consider such Consuls

as more or less assistants to their British colleagues.[65] That feeling, I think, was not widespread and could easily be corrected even where it existed. In any event, one cannot be too sensitive about this point of view when it is expressed by a person whom we at present allow to act for Canada in a city a few hundred yards away from our own country. As long as they are permitted so to act, I thought that we should at least keep them informed about things Canadian and possibly let them see a little of our own country's war effort. To further that purpose, I wrote Dunton[66] on February 18th, and sent a copy of my letter† to you. I have not yet had any reply from him. We might discuss some informational aspects of this matter touched on in my letter to Dunton—at the next meeting of the W.I.B.

Yours sincerely,

MIKE [PEARSON]

116. DEA/9323-B-40

Le sous-secrétaire d'État aux Affaires extérieures au ministre, l'ambassade aux États-Unis

Under-Secretary of State for External Affairs to Minister, Embassy in United States

Ottawa, March 9, 1944

Dear Mike [Pearson],

I have been expecting to hear from you on the subject of the meeting of British Consuls in Washington about which you wrote on March 7. Hugh Scully sent me a letter† on his return to New York after the meeting and also emphasized the unsatisfactory situation which prevails through our throwing such a burden of Canadian consular work onto the shoulders of British officials.

Our record is not one of which we can be particularly proud and the sooner we start to rectify it the better. There is under way in the department a thorough examination of the whole question of Canadian consular representation in the United States which will conclude with specific recommendations. When these are in we will go into the question in what I hope will be a practical and positive fashion.

Yours sincerely,

N. A. ROBERTSON

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[65] Note marginale:
Marginal note:
11/3/44 I thought I had "educated" Cane during the 9 months I lived with him. E.D. M[cGREER?]

[66] Le président, la Commission d'information en temps de guerre.
Chairman, Wartime Information Board.

117. **DEA/9323-B-40**

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Under-Secretary of State for External Affairs

Washington, May 26, 1944

Dear Mr. Robertson,

On April 3rd Mr. Macdonnell wrote to me† on your behalf suggesting that I might send you a statement about the duties of a Canadian Consular Service in the United States in peacetime other than those purely consular duties which are now carried out on Canada's behalf by United Kingdom officers.

I enclose three copies of a memorandum of May 24th on this subject.

Since I assume that a Canadian consular service will be absorbing the present Trade Commissioners' Offices in the United States, it will be useful to get from the Department of Trade and Commerce the instructions which they have in the past sent to their Trade Commissioners in this country. These instructions would give us leads on the kind of work our consuls would be doing.

We are hoping to receive soon from the British Embassy the estimate requested by Mr. Macdonnell of the amount of time which the United Kingdom consulates in the United States spend on Canadian business and what the general nature of this business is.

Yours sincerely,

L. B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du premier secrétaire, l'ambassade aux États-Unis[67]

Memorandum by First Secretary, Embassy in United States[67]

[Washington,] May 24, 1944

WORK OF A CANADIAN CONSULAR SERVICE IN THE UNITED STATES IN PEACETIME IN ADDITION TO THE PURELY CONSULAR DUTIES NOW CARRIED OUT ON CANADA'S BEHALF BY UNITED KINGDOM OFFICERS

1. *Commercial*

After the war the main job of the Canadian consular service in the United States will be to protect and promote Canadian economic interests in the United States. There would seem to be no need to set forth the nature of this work in detail since the relevant United States foreign service regulations (Chapter XIV) would be applicable to the work of a Canadian consular service

[67] E. Reid.

in the United States. Useful suggestions can also be found in Chapter XVII of the British general instructions to His Majesty's Consular Officers.

The commercial responsibilities of a consular office are discharged in two ways: by sending reports to Ottawa, and by giving direct assistance to Canadian citizens and business organizations in connection with the conduct of their trade with the United States.

The reports to Ottawa should include reports on:

(a) The potentialities of the consular district as a market for Canadian products or as a competitor of Canadian products in international trade.

(b) Concrete trade opportunities.

(c) The general standing and distributing capacity of United States firms.

(d) Tariffs, customs regulations, patents, regulations respecting commercial travellers.

The direct assistance to Canadian citizens and business organizations should include:

(a) Replies to specific trade enquiries.

(b) Assistance in their dealings with United States citizens.

(c) Assistance in the settlement of trade disputes and the collection of debts.

(d) Certification of invoices, execution of notarial documents, the taking of depositions, etc.

A Canadian consular office should also supply United States merchants with information on Canadian products, and should facilitate and report on visits which these merchants propose to make to Canada.

In cities where there is a considerable volume of Canadian business, and a substantial Canadian business community, a consular office should encourage and facilitate the establishment and successful functioning of a Canadian Chamber of Commerce.

In these, and in other ways, a Canadian consular office should guard against the infringement of the rights of Canadian citizens in matters relating to commerce and navigation which are based on custom, international law or treaty; should observe, report on and, whenever possible, remove discriminations against Canadian agricultural, commercial and industrial interests in the United States, and should in general protect the national commercial reputation of Canada.

In some countries after the war, e.g. the smaller Latin American states whose economies are complementary to Canada's, it may be found desirable for the Canadian consular service to facilitate the export trade of that country to Canada. The United States commercial service in Canada is, however, large and efficient and it would not appear necessary or desirable that the Canadian consular service attempt to duplicate its work. Moreover, Canada may after the war be short of United States dollars, and be anxious therefore to find alternative sources of supply outside the United States for goods which Canada needs to import.

2. *Public relations.*

The most important public relations work which a Canadian consular service in the United States can do will be done as a by-product of routine consular duties. Consular officers in the course of their duties meet a larger number of representative private American citizens than do diplomatic officers in Washington. They meet many of them when they need assistance in surmounting some obstacle to the free movement of goods and peoples across the border and at such times courtesy, intelligence and efficiency are most appreciated. It is possible to hide a misfit in the Department at Ottawa, or even in a large diplomatic mission. It is much more difficult to hide him in a consulate.

The other two main branches of the public relations work of a consular service will be to answer inquiries about Canada from newspapermen and lecturers, and to give public speeches. If a consular officer is to do this work as it should be done he ought to have a wide and intimate direct knowledge of Canada (both the English-speaking and French-speaking parts), a liking for newspapermen and ability in public-speaking.

3. *The local Canadian community.*

In 1940 there were about a million persons in the United States who had been born in Canada. At that time about half had become naturalized United States citizens. Since then the proportion of United States citizens among the Canadian community in the United States has increased, probably very considerably. These former Canadians are often the strongest supporters of Canada in the United States. They have become United States citizens either because of economic pressure arising out of discriminations against the employment of aliens, or because of the very proper feeling that a person who intends to live permanently in the United States ought to accept all the responsibilities and privileges of citizenship. They have not however, except in a very few cases, any desire to cut themselves off from Canada. A Canadian consular officer in the United States should help the members of the Canadian community, both citizens and non-citizens, to maintain a healthy interest and pride in the country from which they came. He will find that he is doing this by his general public relations work. He will also find it useful to keep in touch with the local Canadian organizations and help them to keep their activities on sound lines. He should not, of course, discourage Canadians from becoming naturalized. Nor should he encourage the Canadian-born to become a separate community—not that there would be much chance of his succeeding in doing this.

4. *Visiting Canadians.*

Visiting Canadians will provide the consular service with a considerable amount of routine consular work—problems connected with crossing the border, identification and other documents, troubles with police and other local authorities, etc. They will also properly expect other assistance from a consular service. Businessmen will want to be put in touch with businessmen;

newspapermen will want to be helped to get interviews; public men will expect to be looked after and assisted in meeting prominent United States citizens. The danger to avoid is that consulates do "Cooks" or "American Express" work. A Canadian Consul-General should not be a "chief Canadian greeter."

5. *Tourist traffic.*

A consular service should promote the Canadian tourist industry, not only because of its material advantages to Canada, but also because an American who has spent a pleasant holiday in Canada is likely to have a friendly feeling about Canada and a better understanding of Canada.

6. *Trends in United States opinion.*

Since it is a truism that Washington is not a mirror of the mind of the American people, and since it is desirable that the Canadian government should be kept informed of significant changes in American opinion, the consular service should send reports from time to time to the Canadian Embassy in Washington on trends of opinion. Consular officers will require a considerable amount of guidance in the preparation of these reports. Clearly, to be useful, they should not be merely analyses of newspaper editorials, but penetrating studies of opinion. Their value will depend on their brevity, and on the width of the range of acquaintances of the consular officer and the depth of his knowledge of the United States.

7. *Visits of Canadian warships.*

If the consulate is situated at a sea port the consul will, of course, call on any Canadian warships that are in the harbour. He will advise the Captain where to purchase stores or supplies, and will assist him in providing entertainment for the officers and crew. He will report to the appropriate Service Attaché in Washington, or to the Embassy, any Service personnel who gets into trouble, and will, if necessary, advance money to destitute Service personnel. He will also assist in the apprehension of deserters from the Royal Canadian Navy.

8. *The consulates as "Canadian centres."*

Each Canadian consulate should become in course of time a "Canadian centre." It should have an adequate reception room with a few well-chosen current Canadian books and periodicals in both English and French, and some Canadian pictures. It should have in a separate room—perhaps opening off the reception room—a Canadian library of five hundred to a thousand of the best books by Canadians or about Canada. This library should be kept constantly up-to-date. The books by Canadians should be, of course, both fiction and non-fiction, and the books about Canada should include all the standard series such as the Canadian-American relations series, the Frontiers of Settlement series, and a complete set of publications of the Canadian Institute of International Affairs. There should also be a complete set of all current government publications and of the more important recent government publications such as, for example, the Rowell-Sirois report and *Hansard* since about 1930. The

library should be open to the public as a reference library. The consulate should be furnished entirely with Canadian-made goods where they are available both manufactured goods and handicrafts.

118. DEA/9323-B-40

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Under-Secretary of State for External Affairs

Washington, June 7, 1944

Dear Mr. Robertson,

I have now had a chance to study the reports of the British consular service in the United States on the amount of the Canadian work which they do. These reports† were sent to you under cover of my letter of May 31.†

2. What surprises me is the relatively small proportion of their work which the consuls state is Canadian. This does not accord with the impression which many of them gave last February at the meeting here of all the British consuls in the U.S.A. Some of the border consuls then stated that more than 75% of their work dealt with Canadian affairs.

3. One possible explanation of this apparent discrepancy—as well as of peculiar differences in the estimates made by various consuls—is that it is not always clear whether a consul is talking about the Canadian proportion of all his work, or the Canadian proportion of his routine consular work. (The Kansas City consulate was one of the few offices which reported clearly on this point. It said "not more than twenty percent of our time is occupied by consular routine and twenty percent of the consular routine concerns Canadian nationals.")

4. During the past four years the "information" work of the British consular service has increased greatly, the normal commercial work has virtually disappeared, and other normal consular work has shrunk. The result has been that the Canadian proportion of the total work of the consular service has gone down.

5. The point made by the Boston consul general is important. He said in his letter that

"however much work we might find we were doing on Canadian account, if there were a Canadian consul here he would certainly find much more work coming his way than ever gets to us since it is not generally realised that we handle Canadian affairs in this district."

It is probably true that the more knowledge an American has of Canada's national status the less likely he is to go to a British consulate for information about Canada.

6. Just because the reports from the consular offices are not strictly comparable it is difficult to deduce much from them on where Canadian

consulates should be established. I should think, however, that, on the basis of these reports and of other criteria, it is clear that Canadian consular offices should be established in at least Boston, Detroit, Chicago and Los Angeles. There also seems to be an argument for small offices in Miami, St. Paul-Minneapolis, and possibly San Francisco and Cleveland or Buffalo. The reports from Seattle, Denver and New Orleans have not come in yet, but my guess is that we should have a consulate in Seattle and that we might, for "cultural" and domestic political reasons, eventually have one in New Orleans. This would mean that we would have offices in the following cities where the British now have consulates-general—Los Angeles, Chicago, New Orleans, Boston, Detroit, San Francisco and New York. (The other cities where they have consulates general are Kansas City, Philadelphia and Houston).

7. This would cover the states which, according to the census of 1940, have 20,000 or more persons of Canadian birth.

Los Angeles	California (96,000)
Boston	Maine (61,000)
Boston	Massachusetts (224,000)
Boston	New Hampshire (42,000)
Boston	Rhode Island (31,000)
Boston	Vermont (20,000)
Chicago	Illinois (33,000)
Detroit	Michigan (158,000)
Minneapolis	Minnesota (22,000)
New York	New York (124,000)
New York	Connecticut (31,000)
Seattle	Washington (42,000)

8. Mr. Fisher, the consul general in San Francisco, came in to see us the day before yesterday. He will be calling on the department in a few days. He feels we should have some representation on the west coast immediately, mainly because the people there do not, according to him, have any idea about the magnitude of the Canadian war effort. As our participation in the Pacific war increases, and with that the danger that Americans, particularly those on the west coast, may think we are not carrying our full share of the burden, the argument for immediate Canadian representation on the west coast becomes stronger.

9. In your studies of the establishment of a Canadian consular service in the United States you have, no doubt, considered the possibility of appointing honorary consuls or honorary vice-consuls in cities where the volume of work would not be great enough to justify the appointment of a full-time officer. Mr. Fisher says that the United Kingdom has decided that the fee-paying system for honorary consular officers is unsatisfactory and that the British are now giving honorary consular officers an annual or quarterly grant in lieu of fees.

10. In conclusion, I can only repeat what has been said before—that representation of Canadian interests in the U.S.A. by non-Canadian Consuls is anomalous and misleading. We can hardly expect our neighbour to understand fully our independent position within the British Commonwealth of Nations when a British Consul, appointed by the United Kingdom government, looks

after the affairs of a country which begins a few hundred yards from his office and has thousands of its nationals in the city where he is stationed.

Yours sincerely,

L. B. PEARSON

119. DEA/9323-B-40

Mémorandum de la troisième direction politique[68] au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Third Political Division[68] to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] July 7, 1944

I attach a memorandum on consular offices in the United States. The first draft was discussed with Messrs. Read, Keenleyside and Matthews, and the present version incorporates suggestions made by them.

2. I think that this memorandum with any changes which you may wish to make might be sent to Trade and Commerce. After they have had a chance to think it over we could have an interdepartmental meeting.[69]

3. You will see that the memorandum suggests the feasibility of setting up six consular offices in 1945 and 1946. To prevent indefinite postponement I wonder whether we could not aim at a timetable which would call for interdepartmental consideration by September at the latest and the reaching of decisions by December, 1944.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de la troisième direction politique

Memorandum by Third Political Division

CONFIDENTIAL [Ottawa,] July 7, 1944

CONSULAR SERVICES IN THE UNITED STATES

The opening of additional Canadian consular offices in the United States has been under consideration in the department for a number of years. It is generally agreed that additional consular representation is desirable but the shortage of trained personnel has so far prevented any action being taken. Yet Canada's relations with the United States are of such importance that all possible steps should be taken to improve them. Our dependence on the United Kingdom to represent Canada throughout the United States (except in Washington and New York) can only contribute to a misunderstanding by the United States public of Canada's position and policies.

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[68] R. M. Macdonnell.

[69] Il n'y a pas d'indication dans les dossiers qu'une telle réunion a eu lieu.
There is no indication in the files that such a meeting took place.

2. By delaying the setting up of our own consular offices we continue to throw an unjustifiable burden on the United Kingdom consular service, we leave our representation in the hands of officers who, with the best will in the world, are inevitably handicapped by lack of knowledge of Canada and we encourage the growth in the United States of false ideas as to what Canada is and what she stands for. The status of Canada as a nation has increased materially during the war which makes our dependence on the United Kingdom consular service even more difficult to explain in the United States. It is therefore submitted that plans be prepared and the necessary authorization obtained to increase our consular representation in the United States at the earliest practicable date.

3. The functions required of a Canadian consular officer can be divided into four main headings:

(a) The performance of a wide variety of consular duties.

(b) Trade promotion.

(c) General enquiries.

(d) Public relations.

The first three functions will obviously influence the fourth, for they involve meeting a large number of private citizens in need of assistance, advice or information. The efficient and sympathetic handling of these day to day problems will do much to foster good relations and to make Canada known in the community. In addition our consular officers will be expected to be ready to help the press and to do a lot of public speaking as well as to have a wide acquaintance among representative citizens. It is therefore essential that the officers selected should have the qualifications necessary for effective public relations work, and this should be borne in mind in considering the recommendations put forward in the remainder of this memorandum. This is particularly true of the head of each office who will be required to undertake a great deal of representation work.

4. Reports have been received from all United Kingdom consular offices in the United States showing the extent to which they are called on to deal with Canadian affairs. A study of these reports shows that the most urgent demand is for five offices located at Boston, Detroit, Chicago, Seattle and either San Francisco or Los Angeles. (Since there is already a Trade Commissioner's office in Los Angeles, it is assumed for the purposes of this paper that Los Angeles is preferable to San Francisco). Then the Canadian Consul-General in New York recommends that one of the first offices to be opened be at Buffalo. The reports also show that serious consideration could be given to Philadelphia, Cleveland, Minneapolis or St. Paul, and Miami. An office in New Orleans might be desirable from the point of view of relations with a section of the United States where the French tradition is still strong. However, the personnel situation is such that it would be wise to concentrate attention at present on the six most important localities.

5. One point to determine is the rank of consular offices. There is much to be said for the argument that in each locality the Canadian office should have at least equal rank with the United Kingdom office unless special reasons exist for

a greater degree of United Kingdom representation, as might happen in some seaports. The United Kingdom have consulates general at Boston, Chicago and Los Angeles and consulates at Buffalo, Detroit and Seattle. Buffalo, Detroit and Seattle would be among the most important Canadian offices by virtue of the numerous links which extend across the border and might well qualify for consulates general. There is therefore a case for proposing consulates general for all six localities.

6. On the other hand it may be that a less ambitious beginning would be preferable and that only consulates should be established. In the course of time and after the acquisition of some experience it would be possible to raise a consulate to a consulate general while it would be a matter of serious difficulty to lower a consulate general to a consulate.

7. Obviously there can be a number of compromises between the six consulates general suggested in paragraph five and the six consulates suggested in paragraph six.

8. It has been accepted that where the work of a consular office is predominantly commercial, the senior officer should be selected from the Commercial Intelligence Service with a Consul or Vice-Consul from External Affairs, whereas the reverse would apply if commercial problems were of secondary interest. Decisions would have to be reached in each case as to whether the work of a given office would be primarily political or commercial, and the head of the office selected accordingly.

9. There is attached a long and very useful letter[†] from the Canadian Consul General in New York in which he submits opinions based on fourteen months' experience in his post. The main points could be summarized as follows:

(1) New York is unique as a consular post and special problems are encountered there because it is such a commercial, financial and cultural centre.

(2) Routine consular work has been heavy—heavier than anticipated—and this can be expected in the six cities mentioned above which present the most pressing problems. A vice-consul and a stenographer would be needed to handle this work in each office.

(3) In border cities so long as the war lasts the time of one man might be needed to look after work relating to the Armed Services.

(4) Work relating to Canadian merchant seamen is dealt with by the United Kingdom consular service. If this policy continues to be followed only occasional cases will require assistance from any Canadian consular office.

(5) The head of each office should be free of routine duties and should be prepared to devote a large amount of his time to representational work.

(6) General enquiries can be expected to take up a great deal of time. The announcement of the opening of a Canadian consular office will create a considerable volume of work of this type which in the past has not reached the United Kingdom offices.

(7) Trade promotion in the sense of influencing individual orders for Canadian products is not of great importance and can be left to a junior man.

There should be in New York a senior trade representative of high rank to act as a general representative rather than having to do with individual transactions.

(8) Each consular office should be under the direction of a single officer whose combined staff, whether from External Affairs or the Commercial Intelligence Service, would hold rank as consuls or vice-consuls.

(9) In seaports shipping problems could be handled by a consul along with other duties.

10. To provide a basis for considering personnel requirements it may be worth while estimating what our needs would be. A liberal estimate for six consulates general would be six consuls general, six consuls and six to nine vice-consuls. This would give each office one consul general, one consul and one or two vice-consuls. A rather conservative estimate for six consulates would be six consuls and six vice-consuls.

11. According to an estimate made in the Department there should be available from External Affairs personnel suitable officers for appointment in the consular service as follows:

Year	Consul General	Consul	Vice-Consul
1944	none	none	none
1945	1	1	4
1946	1	1	4
1947	1	2	6
1948	1	2	6

If it is decided that all of these could be made available for duty in the United States it should be possible to open two offices in each of the years 1945 and 1946 provided we did not contemplate a consulate general in every case. If Trade and Commerce could make as many officers available the six proposed offices could all be staffed by 1946.

120. DEA/8310-B-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, December 8, 1945

The closing of the British Vice-Consulate at Portland, Maine, is causing a good deal of inconvenience to Canadian shipping interests, who use that port not only as a supplementary railway terminal but as the port of unloading for petroleum, which is then moved by pipe line to Montreal.

I do not feel we can press the United Kingdom to maintain an office there primarily to serve Canadian interests. At the same time, I should be reluctant to recommend the establishment of a Canadian Vice-Consulate there when there are a good many places in the United States for which there is a greater need for general Canadian representation than in Portland, Maine.

As a temporary measure we have sent one of our junior officers in the Legal Division down to Portland to look over the situation with a representative of the Department of Transport, and to report whether arrangements could be made to designate an honorary consul there who could perform the necessary functions for Canadian shipping interests on a fee basis.

121. DEA/8310-K-40

L'ambassadeur aux États-Unis au sous-secrétaire d'État aux Affaires extérieures

Ambassador in United States to Under-Secretary of State for External Affairs

Washington, December 8, 1945

My dear Norman [Robertson],

I am writing a personal note with reference to your EX-4149† and 4165† of December 6 and 7 concerning the appointment of J. D. Foote as temporary Vice-Consul at Portland, Maine.

I can't refrain from registering my disappointment that our consular service in the United States is being extended in this way and for the reason that a British Vice-Consulate is being closed. *Solvitur ambulando* has its merits, but surely should not be the basis for the development of a Canadian Consular Service. Isn't there something absurd about Canadian consular representation in Portland, and no such representation in places like Detroit, Buffalo, Chicago, or Los Angeles. I feel very strongly that our consular service in this country must be set up according to a carefully worked out plan and that we are only on the road to trouble and confusion if we try to do it in any other way.

You may recall that some time ago, I told you that Sir Gerald Campbell had informed me that they were about to close the Portland Vice-Consulate and that he suggested the possibility of keeping it open as a Canadian Vice-Consulate. This would probably not have been a very sensible idea but it would have been possible, I assume, to have made a contribution to the expenses of the British office for Canadian work. This might have made unnecessary the closing of that office and if so, have avoided the makeshift arrangement which is now proposed.

I have today formally requested provisional recognition for Foote as Canadian Vice-Consul in Portland, and I am notifying the British Embassy that we are taking this step.

Yours sincerely,

MIKE [PEARSON]

122. DEA/8310-B-40

Le vice-consul par intérim, Portland, Maine, au sous-secrétaire d'État aux Affaires extérieures

Acting Vice-Consul, Portland, Maine, to Under-Secretary of State for External Affairs

DESPATCH Portland, December 20, 1945

CONFIDENTIAL. SECRET.

Sir,

I have the honor to report the following information concerning the proposed establishment of a Canadian Vice-Consulate in Portland, Maine.

Captain Kerr of the Department of Transport and myself arrived in Portland after gaining considerable information through the kindness of Mr. Scully, Canadian Consulate General of New York, the British Consulate General of the same city, and the British Consulate General of Boston, concerning consular work as regards shipping matters. We were fortunate to obtain the office formerly used by the British Vice-Consulate here, whose lease does not expire until the end of this year. There were also a few odd pieces of furniture which they kindly loaned to us. The furniture consisted of one desk, two chairs, and a typewriter.

Mr. Prickett, former British Pro-Consul, has been kind enough to give us his services for the next few days, and his knowledge of the local shipping problems is invaluable to us. Captain Kerr and myself have made the rounds of the various shipping agencies and from information obtained from them and the British Consulates in New York and Boston, I desire to present the following.

During the years of 1944 and 1945, the bulk of the shipping which came into this port was of Canadian registry. This was due chiefly to the pipeline which was constructed during the war between this port and Montreal. The tankers carrying the fuel from South America are owned by the Imperial Oil Company, the Shell Oil, and the Park Steamship Company.

The United Kingdom decided at the beginning of the war to establish a British Vice-Consulate in Portland. Many ships were being built in the Portland shipyards for Britain, and they deemed it necessary to have a local representative so that he might handle the various problems dealing with registry and the manning of these ships. Now that this problem has ceased, and because of the very reduced number of ships of United Kingdom registry now stopping at this port, they decided to close the Vice-Consulate here.

I am attaching several prepared tables[†] which will readily give you the various information concerning the number of ships of both Canadian and United Kingdom registry using this port during the years of the war. You will notice that at the present time there are approximately thirty of our vessels to every one of the United Kingdom ships now stopping here.

When it became known that the United Kingdom government contemplated the closing of the Vice-Consulate, the Department of External Affairs was approached by the Department of Transport suggesting that the Canadian government might see fit to establish a Canadian Vice-Consulate or Consular agent in Portland to handle Canadian shipping matters.

The various shipping companies pressed the Department of Transport for a Canadian representative in Portland. Their request was not entirely unjustified because of the number of Canadian ships using the port and from information I have received, vessels of Canadian registry have caused considerable trouble and worry to the local authorities because of the more than large number of disturbances caused by Canadian merchant seamen. The British Vice-Consulate handled our problem very ably and without complaint, but it now appears that since the opportunity has presented itself for them to be released from this chore, they are more than favorable to discontinue the Vice-Consulate here and place this Canadian problem in our hands.

I beg to submit my observations on the establishing of a Canadian Vice-Consulate in Portland, Maine.

There appears to be a definite need for a Canadian representative in this port to handle the shipping problems which will arise. The question which now presents itself is whether this representation should be made by a career officer or whether the Canadian government feels that they might appoint some reputable citizen of Portland who could represent Canadian interests, to be an Honorary Consul or Consular Agent. It might be felt that this latter appointment would be sufficient to cover the Canadian shipping needs here.

It may be felt that the present amount of work and the business which is contemplated in the future does not warrant the expense of renting an office, hiring a staff, and the many other expenses which arise with the running of an office. From my attached table marked "D"[*] you will note that the consular fees collected do not cover the expenses incurred.

Still, if the Canadian government feels that to establish an office here, as more or less a training ground for Canadian consular officers in shipping, Portland without doubt is an excellent location for such an experiment, due to the nearness of the British Consulate General in Boston and the Department of Transport in Ottawa. Assistance might readily be obtained by the Vice-Consul for the many peculiar problems which will arise.

If the policy I have outlined is to be followed, it would be very desirable for the Vice-Consul to have an assistant to do the "donkey work" which is attached to this office. The keeping of accounts alone will take up much time. If an assistant is employed to care for these matters, it will give the Vice-Consul the opportunity to appraise the situation carefully, study the Canadian Shipping Act as against the Merchant Shipping Act and make recommendations whereby forms, instructions and other material might be brought in line with Canadian shipping problems. There appears to be very much work to be done in this line.

From information which I have obtained, it does not appear that Portland Harbor will continue having much traffic. Business will continue during the winter months because of the freeze-up of the St. Lawrence, but, because of the railroad rates and the higher loading charges at this port—$6 per thousand bushels of grain loaded, as against $1.75 for one thousand at Montreal—it is unlikely that exporters and shipping companies will continue using the harbour facilities here. I have heard that the Furness, Withy Company Ltd. were thinking of closing their shipping agency here, but now, since there will be some exporting of cattle and horses to France, they expect to keep their office open for at least another year.

If the Canadian government desires to appoint a Consular Agent or an Honorary Consul, it might be noted that a certain Mr. Leslie Harrison, agent for Furness, Withy & Company has made application to Mr. Sullivan, the British Consul General in Boston for the position of British Vice-Consul. Mr. Harrison is a very well-known and respected citizen in this community. He was born in England and served with Canadian forces in World War I. He received his education at Kings College, Dalhousie University, Halifax, and was graduated in engineering. He has lived in Halifax many years besides representing his shipping company in the Argentine. He and his wife are among the leaders of the Canadian community in this city. He has a large staff and with the decrease in his own business, this extra work should be handled without difficulty.

Another person whom the Canadian Government might consider for this office is Mr. H. Abrahamson, agent for the Portland Tourist Company. Mr. Prickett has told me that he is a very conscientious person who greatly assisted the British Consulate. Mr. Abrahamson was born in New Brunswick and his assistant, Mr. Eward, is also Canadian born.

The lease on the office here expires at the end of the year and if we are to retain these premises it will be necessary that I contact the agents soon. This office is very well situated, being quite near the water front, and although it is by no means pretentious, it is quite adequate. There are two large and two small rooms, a built-in counter and two wall safes which are very desirable for an office of this type. The rent is very low, being $30 a month, and the lights amount to little more than $2 a month. It will be necessary to purchase a fair amount of office fixtures.

I would be very grateful if you could advise me as to what course you desire me to follow.

I have etc.

JAMES D. FOOTE

123. DEA/8310-B-40

Le secrétaire d'État aux Affaires extérieures au vice-consul, Portland, Maine

Secretary of State for External Affairs to Vice-Consul, Portland, Maine

TELEGRAM 1 Ottawa, December 27, 1945

CONFIDENTIAL. Your despatch of December 20th and enclosures received.

Your very informative report has been read with interest and officials concerned have given consideration thereto in order to determine what immediate steps might be taken. We have discussed situation fully with Captain Kerr who has made useful suggestions. Briefly stated, position is as follows:

(1) You are hereby authorized to contact agents of premises referred to in order to take one year lease on the office, beginning January 1st, 1946;

(2) It is desired you carry on as instructed before your departure from Ottawa;

(3) As regards future plans for Canadian office at Portland, I shall advise you by despatch within a day or two.

124. DEA/8310-K-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6427 Washington, December 28, 1945

With reference to your EX-4165, December 7th,† following is text of note received this morning, dated December 21st, from the Department of State, Begins: I have the honour to acknowledge the receipt of your note No. 458 of December 8th, 1945,† informing the Department of the decision to send a Third Secretary in the Department of External Affairs to Portland, Maine, to act temporarily as Vice-Consul and requesting the provisional recognition of Mr. J. D. Foote for that purpose.

In compliance with your request, provisional recognition is accorded Mr. Foote as Canadian Vice-Consul at Portland. Ends.

SECTION S

VÉNÉZUÉLA/VENEZUELA

125. DEA/8108-A-40

Le secrétaire d'État par intérim aux Affaires extérieures au ministre de Grande-Bretagne au Vénézuéla

Acting Secretary of State for External Affairs to Minister of Great Britain in Venezuela

TELEGRAM Ottawa, October 3, 1945

Canadian Government propose to establish Canadian Consulate General at Caracas and to appoint Mr. C. S. Bissett as Consul. Mr. Bissett would be Acting Consul General pending the appointment of a Consul General.

It would be appreciated if you would be so good as to convey these proposals to the Government of Venezuela and to ascertain whether they are agreeable to them. You might ascertain at the same time whether the provisional recognition of Mr. Bissett in the capacity referred to above could be granted.

Mr. Bisset would propose to arrive in Caracas some time in January.

126. DEA/8108-A-40

Le ministre de Grande-Bretagne au Vénézuéla au secrétaire d'État aux Affaires extérieures

Minister of Great Britain in Venezuela to Secretary of State for External Affairs

TELEGRAM Caracas, December 5, 1945

My telegram of November 26th.† Venezuelan Government has granted provisional recognition to Mr. Bissett as Acting Consul General. Please inform me of date of arrival so that necessary Customs facilities can be arranged.

PARTIE 3/PART 3
ARRANGEMENTS POUR DES PUISSANCES PROTECTRICES
ARRANGEMENTS FOR PROTECTING POWERS

SECTION A

INTÉRÊTS CANADIENS EN TERRITOIRE CONTRÔLÉ PAR L'ENNEMI
CANADIAN INTERESTS IN ENEMY-CONTROLLED TERRITORY

127. DEA/1954-F-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4063 Washington, July 7, 1944

With reference to protection of Canadian interests in Finland.

Following is text of note, dated June 30, 1944, signed A. A. Berle, Jr., for Secretary of State, Begins:

Excellency: I have the honour to inform you that in as much as relations between the United States and Finland were broken at 11:00 a.m. on June 30, 1944, the United States is no longer in position to represent Canadian interests in Finland and has asked the Swiss Government to assume such representation provisionally. I assume that your Government will communicate direct to the Swiss Government its wishes regarding the further protection of Canadian interests in Finland.

Accept, Excellency, the renewed assurances of my highest consideration. Ends.

We would be glad to receive your instructions before acknowledging this note. Ends.

128. DEA/1954-F-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-2845 Ottawa, July 8, 1944

SECRET. Your telegram WA-4063 July 7th. Protecting of Canadian interests in Finland. Please inform State Department that Canadian Government is appreciative of the action taken by the Government of the United States in

having requested the Swiss Government to assume provisionally representation of Canadian interests in Finland.

Canadian Government have sent a formal request to the Swiss Government† to assume representation of Canadian interests in Finland.

129. DEA/1954-F-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 109 London, July 29, 1944

Addressed to Canadian Government No. 109, Australian Government No. 182. Your telegram No. 115 of July 8th,† No. 162 of July 10th.† Swiss Legation, Helsingfors, report that Finnish Government have agreed to the Swiss Government taking over representation of Canadian/Australian interests in Finland.

130. DEA/1954-C-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1846 Ottawa, September 4, 1944

In consultation with Vanier and Dupuy please take any steps necessary to arrange for them to take over from the Swiss Canadian Government Archives and property in France and Belgium.

131. DEA/1954-C-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2322 London, September 7, 1944

Your telegram No. 1846, 4th September.

After consultation with Vanier and Dupuy have asked the Foreign Office to instruct the British Minister, Berne, to request the Swiss authorities to inform the Swiss representatives in Paris and Brussels that the Canadian representatives in these Capitals will be taking over the protection of Canadian Government property and archives from them in the near future. Have also expressed our grateful appreciation for the services rendered by the Swiss as Protecting Power in these countries.

132. DEA/1954-C-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 1523 Ottawa, September 13, 1945

IMPORTANT

Sir,

Following the surrender of Germany and the closing of the Swiss Legation in Berlin, we assumed that the Swiss had ceased to represent Canadian interests in Germany.

A few weeks ago, we noticed that we were still getting communications from the British Minister in Berne which indicated that some Swiss agency was still operating in Germany in relation to Canadian interests. We asked the British Minister in Berne for an explanation, and he has now replied to us as follows:

"His Majesty's Minister at Berne presents his compliments to the Right Honourable Secretary of State for External Affairs at Ottawa, and with reference to the latter's telegram number 22 of 24th August† regarding the protection of Canadian Interests in Germany has the honour to state that the 'Service Suisse de Liquidation des Intérêts étrangers en Allemagne' is for the time being continuing the work of the Protecting Power in connection with the routine payment of relief, and applications for and renewal of passports, etc. The headquarters of this organisation which receives its instructions from the Foreign Interests Division of the Federal Political Department is at Kissleg near Bregenz."

I may say for your information that, although we realize that this action of the Swiss Government is intended for our benefit, the result of it may be to give assistance to persons who deserve no assistance from [illegible] All the genuine Canadians whom we knew about are out of Germany and, therefore, the persons who are still receiving help from the Swiss must be German-born naturalized persons whom, as you know, we regard as being generally unentitled to assistance.

I should be grateful if you would informally consult the Foreign Office regarding this activity of the Swiss Government and send us any comments the Foreign Office may wish to make.

Enclosed for information is a copy of a telegram we are sending to the British Minister in Berne.†

I have etc.

J. E. READ
for the Secretary of State
for External Affairs

133. DEA/1954-C-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH 1873 London, September 22, 1945

Sir,

I have the honour to refer to your despatch No. 1523 of September 13th concerning the continued protection of Canadian nationals in Germany by the Swiss. I have discussed this matter with the German Section of the Consular Department, Foreign Office.

You will understand from our several reports that there is, as yet, no real effective consular activity on the part of the United Kingdom authorities within Germany and Austria. I may have more to tell you of the situation, however, when Captain Hoogendyk,[70] now visiting Germany, returns. The only recent change here is that Mr. A. H. King has joined Mr. Fulham at Lubbecke. He will have jurisdiction throughout the whole of Germany. Fulham will continue to assist him in the British zone. A consul has now been appointed to Frankfurt for the American zone; this is Mr. Abington Goodden. These are both career consuls of experience. Mr. Bell, as you know, is at Strasbourg, with authority to the French zone.

This sounds like fairly complete coverage except in the Russian zone, but these officials have no status, no clerks, no transportation and almost no means of communicating. Mr. Williams is still in Austria but the Consular Department report he is not often heard from. I have a suspicion that the Foreign Office representatives in Germany do a better job for us, considering comparative numbers involved, than they do for the Foreign Office. This is presumably because of our superior preparatory paper work.

Under these circumstances the Foreign Office, far from discouraging the Swiss from continuing the handing out of relief funds, have welcomed this practice as the only practicable means of distributing relief funds. The Consular Department report, however, that they have very little information as to what the Swiss are actually doing. The Consular Department do not send them new business; they simply receive what the Swiss send. Berne has been asked for a report, but the Consular Department feel that the Swiss in Berne do not themselves know much what their folk are doing. I gather that the Swiss Consul at Hamburg keeps pretty busy in British interests, while the one at Frankfurt, being a German or half German, was regarded as *persona non grata* by the Americans and has pretty much shut up shop. It is to be presumed that

[70] Affecté au haut commissariat en Grande-Bretagne pour seconder dans les questions relatives aux prisonniers de guerre et aux internés.
Seconded to High Commission in Great Britain to assist with problems concerning prisoners of war and internees.

the Russians do not give the Swiss much liberty of action, but the Foreign Office cannot seem to get information, even about the Swiss there.

The Consular Department saw no objection to the telegram† attached to your despatch, and asked for a copy of it. I shall send them the whole despatch and would like to know from you whether the telegram has actually been sent.[71]

The Consular Department believe the Swiss Consul renews British passports which have recently expired but they doubt whether the Swiss revive Swiss passports which have been long extinct.

I have etc.

S. M. SCOTT

134. DEA/1954-C-40

Le ministre de Grande-Bretagne en Suisse au secrétaire d'État aux Affaires extérieures

Minister of Great Britain in Switzerland to Secretary of State for External Affairs

TELEGRAM 57 Berne, November 22, 1945

Repeated to Foreign Office No. 1653.

Your telegram No. 31.†

Swiss service for liquidation of foreign interests at Bad Homburg was officially suppressed 15th November and Mr. Consul General King, in charge of British Interests Branch at Lubbecke, has already been notified that Switzerland will no longer be able to look after British interests in Germany or Austria though Swiss will pay relief in Germany up to 31st December. Foreign Office are assuming entire responsibility of British interests in Austria forthwith.

I suggest you approach Foreign Office direct regarding present position insofar as it affects Canadian interests.

NORTON

[71] Le télégramme fut envoyé le 14 septembre.
The telegram was sent September 14.

SECTION B

INTÉRÊTS ALLEMANDS AU CANADA
GERMAN INTERESTS IN CANADA

135. W.L.M.K./Vol. 384

Le secrétaire d'État aux Affaires extérieures au consul général de Suisse

Secretary of State for External Affairs to Consul General of Switzerland

No. 438 Ottawa, May 17, 1945

Sir,

I have the honour to inform you that a report has been received from London to the effect that the Swiss Legation have notified the United Kingdom Government that they cannot continue to represent German interests in the United Kingdom and throughout the Commonwealth and territories of the British Empire.

I should be grateful if you would let me know if this is in accord with information which you have received and if we can expect to receive from you a similar notification. I should also be grateful to receive an indication of the time and date from which relinquishment of protection of German interests in Canada by your Consulate-General is to be regarded as effective.

Accept etc.

J. E. READ
for the Secretary of State
for External Affairs

136. W.L.M.K./Vol. 384

Le consul général de Suisse au sous-secrétaire d'État aux Affaires extérieures

Consul General of Switzerland to Under-Secretary of State for External Affairs

3/16-a M. Montreal, May 22, 1945

Sir,

With further reference to your note of May 17th, I have the honour to acquaint you with the following communication received from the Division of Foreign Interests in Berne.

The aforesaid Division have indeed directed the Swiss Legation in London to notify the United Kingdom Government—also for consideration of the Dominions' governments—that having ceased to recognize the government of the Reich, Switzerland is consequently no longer in a position to represent the German interests in the British Empire; she regards herself as being released

from all related duties and obligations, as well as free from any ensuing responsibilities as from the date of the notification. The Swiss Government assume, however, that the safeguarding of exterritorial real estates and of German archives will be continued as hitherto, until the relevant properties are duly transferred to the party concerned.

I venture to add that the notification just mentioned above was made in London on Tuesday, May 15th.

I am most desirous of taking this opportunity to express how much the writer and associated consuls did appreciate the unfailing good will and the utmost courtesy shown to them by all Canadian authorities or officials and, in particular, by your Special Division. This attitude is unanimously acknowledged to have been of undeniable assistance and inspiration to the representatives of the Protecting Power during their five-year activity connected with German interests.

I have etc.

G. JACCARD

137. W.L.M.K./Vol. 384

Le secrétaire d'État aux Affaires extérieures au consul général de Suisse

Secretary of State for External Affairs to Consul General of Switzerland

No. 458 Ottawa, May 24, 1945

Sir,

I have the honour to refer to your despatch No. 3/16-a M. of May 22nd informing me that the Government of Switzerland, having ceased to recognize the Government of the Reich, is no longer in a position to represent German interests in Canada and has relinquished all responsibility for their protection, except as concerns the safeguarding of exterritorial real estates and of German archives. It is noted that the cessation of representation of German interests in Canada is regarded as having taken place on the date on which notification was made in London to the United Kingdom Government and for consideration of the Dominions Governments, which was May 15, 1945.

The other interested Departments of the Canadian Government are being informed of this action by your Government. May I assume that you will inform the spokesmen of internment camps in Canada where German prisoners of war or German civilians are detained that you are no longer authorized to protect their interests or to receive communications from them.

In conclusion I should like to return the compliment to the Canadian authorities and officials contained in the last paragraph of your despatch. Without exception the officers of this Department who have had occasion to deal with you and your colleagues in matters affecting the protection of German interests in this country, have much appreciated the frank and open

way in which it has been possible to discuss, on the basis of mutual understanding, all questions which have arisen in this field. The readiness which you and your colleagues have shown to take pains to appreciate the point of view of the Canadian authorities while at the same time presenting the other side, has enabled speedy and mutually satisfactory settlement of any questions which might easily have made difficulty. Please accept for yourself and for the other members of your Consulate General my sincere thanks.

Accept etc.

W. L. MACKENZIE KING

138. DEA/728-B-39

Le secrétaire d'État aux Affaires extérieures au consul général de Suisse

Secretary of State for External Affairs to Consul General of Switzerland

No. 477 Ottawa, July 13, 1945

Sir,

I have the honour to refer again to your despatch No. 3/16-a M dated May 22nd in which you informed me that the Government of Switzerland had relinquished the protection of German interests in Canada, and to my reply No. 458 of May 24th.

The Canadian authorities have given thought to the position which arises in relation to German civilian internees and prisoners of war in Canada as a result of the fact that there is no longer a German Government.

It is the intention of the Canadian authorities that the treatment of prisoners of war and internees should not depart from the spirit of the Geneva Convention despite German capitulation. There is implicit in the Convention the presumption that prisoners of war will always have a Protecting Power to whom they can submit complaints and enquiries. It is also the desire of the Canadian authorities that there should be a clear record that there has been no misuse of arbitrary power by them in their dealings with German prisoners of war and civilians.

The Canadian authorities would, therefore, welcome an arrangement whereby an officer of your Consulate General, who has been engaged in work on behalf of German prisoners of war and internees in Canada, might be enabled to carry on these activities under some other auspices.

Should your Government be prepared to agree to this proposal, it is thought that it might be appropriate for the officer undertaking this responsibility to be attached to the International Committee of the Red Cross in Canada with the status of Associate Delegate. This is, of course, a secondary question for consideration by your Government and the International Committee of the Red Cross.

Such an officer would be permitted to correspond with German nationals in custody in Canada, to visit prisoner of war and internee camps, and in general to perform the functions in respect of prisoners of war and internees which have been performed by the Protecting Power. These arrangements are suggested only as a temporary measure during a necessary transitional period.

I should count it a favour if you would give consideration to this proposal. If you agree, I should be glad to know the earliest date on which the services of your officer could be made available for the duties described.

I am telegraphing the substance of this despatch to the British Minister at Berne for communication to the Swiss Government and am asking him to tell them that a similar communication has been made to you as Consul General.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

139. DEA/728-G-40

Le consul général de Suisse au sous-secrétaire d'État aux Affaires extérieures

Consul General of Switzerland to Under-Secretary of State for External Affairs

Ad No. 477 Montreal, August 7, 1945

Sir,

I have the honour to advert to your despatch of July 13th, in which you inform me that the Canadian authorities would welcome an arrangement whereby an officer of this Consulate General, who had been heretofore engaged in work on behalf of German POWs and internees in Canada, might be enabled to carry on these activities under the auspices of the International Committee of the Red Cross during the transition period opened by the cessation of the Swiss protection.

I forthwith brought your proposal to the cognizance of the Swiss Government while recommending that favourable consideration be given to it and suggesting that Mr. Somm be made available for the aforesaid duties with the status of Associate Delegate of the International Committee of the Red Cross.

As a result of this consultation, I have been informed that the Federal Political Department had already sent its answer to the British Minister at Berne. The Political Department pointed out that the Swiss authorities would raise no objection against releasing Mr. Somm from his present assignment with this Consulate General and his transfer to the Delegation of the International Red Cross Committee.

Mr. Somm, on his part, is prepared to carry on his activities under the aforesaid conditions and for a limited time. He will be available to Mr. Maag within some days and at least as soon as the relevant arrangement between the

Canadian Government and the Delegate of the International Committee of the Red Cross has been completed.

I have etc.

G. JACCARD

140. DEA/8636-40

Le sous-secrétaire d'État aux Affaires extérieures au consul général de Suisse

Under-Secretary of State for External Affairs to Consul General of Switzerland

Ottawa, September 14, 1945

Sir,

I have the honour to refer to your note no. 3/16-a M. of May 22nd and to the question of the German Government property and archives which are in your custody or control.

In view of the fact that the Swiss Government has ceased to protect German Government interests in Canada, and the fact that there is no longer a German Government, the Canadian Government has decided to take over the custody and control of German Government property and archives. The Canadian Government has designated The Custodian, Department of the Secretary of State of Canada, Ottawa, as the official to assume this custody and control.

Preparatory to your turning over to the Custodian the property and archives, I would suggest that you send direct to the Custodian a complete inventory of the property involved, with all relevant information as to the present situs of the property. It would also be helpful if you would give the Custodian full information regarding arrangements which you may have made with storage companies for the storage of some of the property.

I have etc.

J. E. READ
for the Under-Secretary of State
for External Affairs

SECTION C

INTÉRÊTS JAPONAIS AU CANADA
JAPANESE INTERESTS IN CANADA

141. DEA/2966-40

Le secrétaire d'État aux Affaires extérieures au consul général d'Espagne

Secretary of State for External Affairs to Consul General of Spain

No. J.42 Ottawa, March 27, 1945

Sir,

I have the honour to acknowledge your telegram of March 26th, which reads as follows:

"Under cable instructions from my Government this Consulate General has ceased today as Protecting Power for Japanese interests in Canada Stop Am awaiting instructions from Madrid for handing over this protection."

Your cooperation with this Department as representative for the Protecting Power for Japanese interests has been appreciated.

Accept etc.

W. L. MACKENZIE KING

142. DEA/2966-40

Le sous-secrétaire d'État aux Affaires extérieures au consul général d'Espagne

Under-Secretary of State for External Affairs to Consul General of Spain

No. 46 Ottawa, August 1, 1945

Sir,

I have the honour to acknowledge receipt of your note no. 716 of July 30th,† advising us that you have been instructed to turn over to the Consul General of Switzerland the protection of Japanese interests in Canada.

The Canadian Government will be pleased to agree to this arrangement and, as soon as a formal communication on the subject is received from the Consul General of Switzerland, I shall advise you accordingly.

I have etc.

ALFRED RIVE
for the Under-Secretary of State
for External Affairs

143. DEA/2966-40

Le sous-secrétaire d'État aux Affaires extérieures au consul général d'Espagne

Under-Secretary of State for External Affairs to Consul General of Spain

No. 47 Ottawa, August 4, 1945

Sir,

I have the honour to refer to my note no. 46 of August 1st regarding the protection of Japanese interests in Canada.

We have received a communication from the Swiss Government,† asking whether we have any objection to their accepting the invitation of the Japanese Government to take over the protection of Japanese interests in Canada. We have informed the Swiss Government in reply† that we welcome their acceptance of the invitation.

I have etc.

N. A. ROBERTSON

144. DEA/2966-40

Mémorandum du sous-secrétaire d'État associé aux Affaires extérieures[72]

Memorandum by Associate Under-Secretary of State for External Affairs[72]

Ottawa, August 22, 1945

RE: PROTECTION OF JAPANESE INTERESTS IN CANADA, WITH PARTICULAR REFERENCE TO JAPANESE GOVERNMENT ASSETS AND ARCHIVES

This subject was discussed today by the Under-Secretary, Mr. Read and Mr. Rive. It was decided to find out immediately what has happened in the United States and United Kingdom as a result of the Japanese surrender.

The tentative views of this Department are that the Swiss should not take over the functions of Protecting Power even if they still wish to do so, and that Japanese Government property and archives should be taken over by the Canadian Government in a trustee capacity (using the Custodian as agent of the Canadian Government for the purpose).

No conclusion was reached as to the action which the Canadian Government would take if the question of handing over Japanese archives to the United States or United Kingdom Governments should be raised.

[72] M. H. Wershof.

145. DEA/2966-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4475 Washington, August 24, 1945

IMMEDIATE. Your EX-3072 of August 24,† protection of Japanese interests in the United States by the Swiss.

1. The Swiss took over protection of Japanese interests in the United States in the latter part of July and still have in their custody Japanese Government property and archives, with the exception set out below.

2. Japanese interests in Hawaii are under the Protection of Sweden.

3. It is understood by the State Department that the Swiss will remain in charge of Japanese interests for an indefinite period and that, should any change be made it will be on instructions from Tokyo by the Emperor as directed by the Supreme Allied Commander. In short, the instructions will be part of the overall treatment of Japan, as opposed to a separate arrangement between the United States and the Swiss Government.

4. The status of the archives is that the Swiss are holding them as trustee pending further instructions and at the moment they are not available for inspection by any of the United Nations, including the United States.

5. State Department would appreciate information as to Canadian policy in respect to any Japanese property or documents in Canada.

146. DEA/2966-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2455 London, August 28, 1945

Your telegram No. 1942, August 24th,† protection of Japanese interests in United Kingdom.

It appears little progress has been made.

1. Far East Department of Foreign Office imagine Japanese Government will be requested to authorise the Swiss to relinquish the control of Japanese property and archives and that United Kingdom with either take them over directly or else hold them in trust for Controlling Powers, as in case of Germany (see my telegram No. 2466).†

2. Prisoner of War Department envisage continuance of Japanese Government and see no reason why Swiss should not continue to protect Japanese internees and prisoners of war.

3. All this is unofficial. Am writing formally asking to be kept informed. I suspect initiative will be taken in Washington.

147. DEA/2966-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2473 London, August 29, 1945

My telegram No. 2455, August 28th, protection of Japanese interests, paragraph 3.

It occurs to me you might prefer to telegraph Dominions Office that in view of desirability of Commonwealth countries adopting similar policies, it is suggested that Dominions Office report from time to time on policy and developments with respect to all ex-enemy countries, referring both to property and archives and to protection of prisoners and internees. I shall take no action pending your decision.

2. My paragraph 2. On further enquiry, Prisoners of War Department agree with Far East Department that surrender terms will probably include demand that Japanese ask Swiss to turn over property and archives to host Governments. No decisions appear to have been taken regarding prisoners of war and internees.

148. DEA/2966-40

Mémorandum de la section spéciale au conseiller juridique

Memorandum from Special Section to Legal Adviser

[Ottawa,] August 29, 1945

RE: PROTECTION OF JAPANESE INTERESTS IN CANADA

When this was discussed with the Under-Secretary on August 22nd, the tentative view was that the Swiss should not take over the functions of Protecting Power even if they still wish to do so, and that Japanese Government property and archives should be taken over by the Canadian Government in a trustee capacity (using the Custodian as agent of the Canadian Government for the purpose). However, the first step was to find out exactly what is happening in the United States and United Kingdom.

We now have reports from Washington and London, and I think they alter the picture considerably.

I now feel that there is no reason why we should object to the Swiss actually taking over protection of Japanese interests in Canada if the Swiss still wish to do so. If the Swiss do take over protection of Japanese interests, it will of

course be open to any of the three governments directly involved to alter the situation and to terminate the protection at some future date.[73]

Annexed is a proposed telegram to Dominions Office.[74]

M. W[ERSHOF]

149. DEA/2966-40

Le consul général de Suisse au sous-secrétaire d'État aux Affaires extérieures

Consul General of Switzerland to Under-Secretary of State for External Affairs

27/1 M. Montreal, August 29, 1945

Sir,

Following instructions received from my Government, I have the honour to inform you that this Consulate General is directed to receive and to take over from the Consulate General of Spain at Montreal the protection of the Japanese interests in Canada. The assent of the Government of Canada to the assumption by the Swiss consulates of this representation has been communicated to the Swiss Government through the channel of the British Foreign Office. It is anticipated, therefore, that you are agreeable to the transfer of the Japanese archives and property by the Consulates of Spain to the Consulates of Switzerland, which is in process of being effected.

I have etc.

G. JACCARD

150. DEA/2966-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 204 Ottawa, August 31, 1945

My telegram 179, August 4,† protection of Japanese interests in Canada. Have Swiss replied to our enquiry?

2. So far as Canadian Government is concerned, Japanese surrender need not (not) affect the assumption by Swiss Government of protection of Japanese interests in Canada. Of course it would be open to the appropriate authority in Japan, the Swiss Government or Canadian Government to terminate this arrangement later on.

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[73]Les notes suivantes étaient écrites sur ce mémorandum:
The following notes were written on the memorandum:
Approved. R[OBERTSON]
I have added C[anada] H[ouse] Tel[egram] N. 2473, Aug. 29 which does not apparently change the situation J. E. R[EAD]

[74]Voir le document 150.
See Document 150

151. DEA/2966-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3302 Ottawa, September 12, 1945

My EX-3216 of September 5† and my EX-2870 of August 4† regarding Japanese interests in Canada. Swiss Consul General has informed us that he is taking over protection of Japanese interests in Canada, and that Japanese Government property and archives are being transferred to the Swiss Consulates by the Spanish Consulates. We are informing him that this procedure is acceptable.

2. The present position in Canada is therefore that the Swiss are the Protecting Power in much the same way as they would be if the surrender had not taken place. How long this position will continue is impossible to say at present. It is, of course, open to the Canadian Government, the Swiss Government or the Japanese Government to put an end to the protection of Japanese interests in Canada by the Swiss. In the case of the Japanese Government, we understand that they might be ordered to take certain actions by the Supreme Commander, but no useful purpose would be served by our attempting to anticipate the action which the Japanese Government may be required to take.

152. DEA/2966-40

Le sous-secrétaire d'État aux Affaires extérieures au consul général de Suisse

Under-Secretary of State for External Affairs to Consul General of Switzerland

Ottawa, September 12, 1945

Sir,

I have the honour to acknowledge receipt of your note of August 29th stating that you have been directed to take over the protection of Japanese interests in Canada.

As we have already informed your Government, we welcome this step and will be glad to give you every cooperation.

It is, of course, in order for the Consulates of Spain to transfer to the Consulates of Switzerland all Japanese Government property and archives in Canada.

I have etc.

J. E. READ
for the Under-Secretary of State
for External Affairs

153. W.L.M.K./Vol. 394

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1972 London, October 22, 1945

SECRET. His Majesty's United Kingdom Ambassador, Washington, reports that United States Government have sent instructions to General MacArthur for transmission to Japanese Government regarding treatment of Japanese diplomatic and Consular archives and property, both in countries at war with Japan and neutral countries. Following is summary of instructions, Begins:

(a) In neutral countries, Japanese Government should be required to order Japanese Missions to turn over all diplomatic and Consular archives and property to representatives of United States, United Kingdom, U.S.S.R. and China. Protection of Japanese nationals may be entrusted to Sweden and Switzerland, since these countries are acting as Protecting Powers for Japan elsewhere.

(b) In States which have been at war with Japan, other than those specified in sub-paragraph (c) below, arrangements are to be made for immediate transfer of physical custody of all Japanese diplomatic and Consular property and archives from Protecting Powers to representatives of United States, United Kingdom, U.S.S.R. and China. Protecting Powers would, however, continue to exercise routine functions of protection of Japanese nationals.

(c) In British Commonwealth countries other than Eire, in United States, China, U.S.S.R., France and [The] Netherlands, arrangements are to be made for custody of diplomatic and Consular property and archives to be transferred from Protecting Powers to Governments of respective countries. Representatives of United States, United Kingdom, U.S.S.R. and China to have access to archives. Ends.

2. We are instructing His Majesty's representatives in countries referred to in (b) above to associate themselves with their United States colleagues in request for handing over of Japanese official property and archives to joint custody of representatives of the four Powers named. His Majesty's United Kingdom Ambassador, Washington, has, however, been instructed to make clear to United States Government that, in event of objection being raised by respective territorial Governments, we do not consider that such diplomatic and Consular

archives, as may still be available, would justify any action designed to put pressure on country concerned.

3. We have not yet heard that General MacArthur has as yet taken any action on instructions contained in paragraph 1 above, nor that Japanese Government have issued necessary instructions to their representatives in neutral countries or have made necessary arrangements with Protecting Powers concerned.

154. DEA/8637-40

Mémorandum de la section spéciale au conseiller juridique

Memorandum from Special Section to Legal Adviser

[Ottawa,] October 25, 1945

RE: JAPANESE ARCHIVES AND GOVERNMENT PROPERTY IN CANADA

I have read Dominions Office telegram D.1972 of October 22nd regarding the instructions which the United States Government has sent to General MacArthur for transmission to the Japanese Government.

Pursuant to these instructions, we may expect that the Japanese Government will ask the Swiss Government to hand over to the Canadian Government all Japanese diplomatic and consular archives and property in Canada. These archives and property were recently handed over to the Swiss Consul General by the Spanish Consul General.

We may expect that the Japanese Government will also ask the Swiss Government to tell us that representatives of the United States, the United Kingdom, the U.S.S.R. and China should be given access to the archives.

Although no definite action is required by the Canadian Government until we are approached by the Swiss Consul General, I think that it would be desirable to consider in advance what our attitude will be.

Regardless of what we may think of the instructions which have been sent to General MacArthur, I see no reason for us to refuse to accept the archives and property if the Swiss Consul General is instructed to hand them over to us.

The question of whether we should then allow the four Powers to have access to the archives is a separate one. As we will be requested by the Japanese Government to grant such access, we will be justified in international law if we do give such access. It seems to me that, if we refuse to follow such a request from the Japanese Government, we will be getting into a quite needless dispute with the United States Government.

It seems clear from the Dominions Office telegram that the Japanese Government will be permitted to continue to have protecting powers for

purposes other than the care of diplomatic and consular archives and property.[75]

M. W[ERSHOF]

155. DEA/8637-40

Mémorandum du sous-secrétaire d'État associé aux Affaires extérieures au conseiller juridique

Memorandum from Associate Under-Secretary of State for External Affairs to Legal Adviser

Ottawa, October 31, 1945

The United States Ambassador raised with me today a matter affecting the projected transfer to us of the records of the Japanese Legation and Consulates in Canada. He said that he understood that we would shortly be approached by the Swiss Government (in consequence of the directive recently issued to the Japanese Government by the Supreme Allied Commander) with the request that we take over from them the custody of these archives. Mr. Atherton went on to say that he had been asked to let us know that his Government would appreciate it very much if we would be prepared to make available to them any information of interest to the United States Government which might be disclosed as a result of our examination of the archives. There apparently were indications that espionage activities extending into the United States may have been conducted through Japanese representatives in Canada.

I told Mr. Atherton that I was quite sure that there would be no difficulty over our passing on information of this nature to his Government. I was, however, rather bothered about the actual task of examining the archives when they come into our custody. This would be an extensive job, in all probability, which would require the services of a number of persons thoroughly familiar with the Japanese language. I asked him if he had any information as to how they would propose to go about this job in the United States. He said that he had not, but would be glad to make enquiries.

I do not know whether any consideration has been given in the Department to this aspect of the transfer of archives of enemy states. If not, we should probably think it over without delay and see what recommendation we can make.

(Copies of this memorandum referred to Mr. Macdonnell and Mr. Ritchie).

H. W[RONG]

[75] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
I agree. J. E. R[EAD]

156. DEA/8637

Le consul général de Suisse au sous-secrétaire d'État aux Affaires extérieures

Consul General of Switzerland to Under-Secretary of State for External Affairs

27/1 M. Montreal, November 19, 1945

Sir,

At the request of the Federal Political Department, I have the honour to bring the following communication to your cognizance.

Upon instruction of its Government, the Legation of Japan in Berne invited the Swiss Government to order that the Japanese archives and property held in conformity with the protection agreement be handed over to the respective governments of the British Commonwealth of Nations. This handing-over of archives and property would not prejudice, however, the protection extended to Japanese nationals as already assumed by Swiss representatives in British countries.

I am directed, therefore, to seek your concurrence in this intended transfer and at the same time to ascertain what is your decision in regard to the date and to the procedure appropriate for the matter.

I have etc.

G. JACCARD

157. DEA/8637-40

Le secrétaire d'État aux Affaires extérieures au consul général de Suisse

Secretary of State for External Affairs to Consul General of Switzerland

No. J. 69 Ottawa, December 3, 1945

Sir,

I have the honour to refer to your despatch No. 27/1 M. of November 19th, concerning the handing-over of the Japanese archives and property to the respective Governments of the British Commonwealth of Nations.

I concur in this intended transfer and with regard to the date and procedure appropriate for the matter, the Canadian Government has designated the Custodian, Department of the Secretary of State of Canada, Ottawa, as the official to assume this custody and control.

Preparatory to you turning over to the Custodian the property and archives, I would suggest that you send direct to him a complete inventory of the property involved with all relevant information as to the present situs of the property. It would be of assistance if you could also give the Custodian full

information regarding arrangements which you may have made with storage companies for the storage of some of the property.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

PARTIE 4/PART 4

RELATIONS ENTRE LE MINISTÈRE DES AFFAIRES EXTÉRIEURES ET LE MINISTÈRE DU COMMERCE
RELATIONS BETWEEN DEPARTMENT OF EXTERNAL AFFAIRS AND DEPARTMENT OF TRADE AND COMMERCE

158. W.L.M.K./Vol. 365

Le ministre du Commerce au Premier ministre

Minister of Trade and Commerce to Prime Minister

CONFIDENTIAL Ottawa, January 21, 1944

Dear Mr. King,

You may recall that in December I wrote you[76] from Edmonton expressing the hope that you might be able to give early approval to the report of the officials of External Affairs and of Trade and Commerce, who, as a joint Committee, had submitted their recommendations regarding the manner in which the work of the Foreign Services of the two Departments could best be co-ordinated in future.[77]

At that time I mentioned that I was well satisfied with the recommendations made by the Committee and that I was rather anxious that the co-ordination plan be put into effect as soon as possible.

In bringing the matter up again, I do so mainly because I know that there is active concern on the part of many businessmen of the best standing who have spoken to me about the necessity for having plans made now, or in the very near future, for the re-establishment of the Trade Commissioner Service abroad on an adequate scale. As a matter of fact, I have these plans for the reorganization of the Commercial Intelligence Service, including the Trade Commissioners, well in hand, but I have not felt that I could take businessmen into my confidence on what is being done, as fully as I should like to do, until I know whether you are in agreement with the proposals recommended by the Committee.

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[76] Voir le volume 9, document 128.
See Volume 9, Document 128.

[77] Voir le volume 9, document 127.
See Volume 9, Document 127.

If you can let me know that the co-ordination plan meets with your approval, I shall appreciate it very much indeed. I believe it is most desirable to do everything that can be done to avoid having the business public, through lack of information, feel that the Government is lagging in any way in planning its post-war trade policies and organization.

Yours faithfully,

J. A. MacKinnon

159. DEA/2446-A-40

Le Premier ministre au ministre du Commerce

Prime Minister to Minister of Trade and Commerce

Confidential Ottawa, January 31, 1944

Dear Mr. MacKinnon,

I have your letter of January 21st regarding the plans for closer cooperation between the foreign services of the Departments of Trade and Commerce and External Affairs, which have been prepared by a Joint Committee of officers of the two Departments. In the present circumstances, I am inclined to agree with the scheme submitted by the Joint Committee, which goes about as far as we can hope or expect to go in the next two or three years. When its recommendations are fully implemented, the position can be reviewed again to see whether a closer pattern of cooperation is needed. In the meantime, suggestions for establishing a single basis for recruiting through the Civil Service Commission, for facilitating interchange of personnel between the two Services and for closer coordination of administrative practices and procedures will each represent a substantial improvement over the present position. I am, therefore, instructing the officers of the Department of External Affairs to see that they do their part in making the proposed joint arrangements work smoothly and efficiently.

I do not think that the importance of these administrative changes which our Departments are putting into force should be overemphasized, or that the scheme of cooperation we are trying should be regarded as a definitive answer to the question as to how the representation of general Canadian interests abroad can best be associated with the special service devoted to the promotion of our export trade. The United Kingdom and the United States, after a good deal of experience and experimentation, have each come to the conclusion that a consolidated foreign service is needed, and it may be, therefore, that we shall have to sooner or later re-examine our arrangements in this field.

Yours sincerely,

W. L. Mackenzie King

160. DEA/2446-A-40

Le ministre en Union soviétique au secrétaire d'État aux Affaires extérieures

Minister in Soviet Union to Secretary of State for External Affairs

TELEGRAM 55 Moscow, February 25, 1944

Following for Robertson from Wilgress, Begins:

1. Have received your letter of November 18th† and confidential report of Committee on relations between External Affairs and Trade and Commerce and am giving you my comments herewith.[78]

2. Committee have made a very good and sincere attempt to work out satisfactory compromise between conflicting views but I do not consider their proposals to be workable. As long as there is separate Trade Commissioner service little advantage is to be gained through interchangeability of officers and common recruiting. This would be apt to work to disadvantage of Trade and Commerce because External Affairs would be willing only to take best men, leaving average or below average to former. Experience in recruiting has shown that usually about one-third of each lot are outstanding, one-third average and the remainder below average. Under common recruiting all outstanding men would be likely to go to External Affairs.

3. Trade and Commerce have developed satisfactory method of recruiting for their particular purposes. In large measure this is due to reliance placed on judgement and expediency of present machine of Civil Service Commission. This method might be upset under proposed plan of common recruiting.

4. Experience in interchangeability of officers based on war conditions is apt to be misleading. In peace time Trade officers at London, Pretoria and St. John's would have been too busy to have permitted arrangements similar to those worked out in wartime.

5. Interchangeability of officers would lead to divided loyalties, and as opportunities for advancement in External Affairs are likely to be greater officers would tend to concentrate on work for that Department to the prejudice of trade work.

6. Canadian system of Government makes divided responsibility difficult and impracticable. Minister of Trade and Commerce has to answer to Parliament for Trade Commissioner service and he can only do this if he has full control over recruiting and disposition of officers.

7. Principal justification for amalgamation of the two services would be need for Canada to have far-flung Consular service. Experience of other countries has demonstrated that serious conflicts arise from maintenance of two services. This is due to the fact that most work of Consular officers is concerned with

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[78] Note marginale:
Marginal note:
I would not show this to Trade and Commerce without a little editing. R[OBERTSON]

trade. It is only a wartime accident that the two Consulates first established by Canada were more political than trade. Experience in New York has shown impossibility of divided control. When Consulate-General was established there, Trade Commissioner should have been transferred to some other post.

8. Historically Canada developed most efficient Trade Commissioner service on account of being important trading nation without Consuls of her own. In this service we have nucleus of first-rate Consular service which it would be foolish to attempt to duplicate by difficult task of building up alternative service with men lacking experience in work abroad. However, until it is decided that Canada has need for far-flung Consular service, it is better to leave Trade Commissioner service entirely responsible to Minister of Trade and Commerce and not to attempt interchangeability of officers and common recruiting.

161. DEA/2446-A-40

Le sous-ministre par intérim du Commerce au sous-secrétaire d'État aux Affaires extérieures

Acting Deputy Minister of Trade and Commerce to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, March 6, 1944

I wish to thank you for your letter of March 1,† your file No. 2446-A-40, summarizing the views which, in a personal message to you, Mr. Wilgress has expressed with respect to the recommendations made in the confidential report of the Committee on Relations between External Affairs and Trade and Commerce.

It is quite evident that Mr. Wilgress has given the contents of this report a good deal of very careful thought, but I believe that, in accord with the suggestion made in the final paragraph of your letter, Mr. Wilgress would probably have been quite ready to modify some of his views if he had had the opportunity of participating in the Committee's discussions. Personally, I regret very much that these discussions could not have been brought to a head a year or two earlier, when we would have had the full advantage of Mr. Wilgress' presence and active interest in the matter.

However, having regard to what I think is a generally-conceded urgent need to work out something in the way of a concerted *modus operandi*, I am satisified that we are taking a trial course which cannot fail to be beneficial in one way or another; and, given the kind of cooperation which I think both Departments are fully prepared to bring to our mutual problems, I am confident that the results will be of real and substantial advantage to both Departments—and by that I mean to the scope and the standard of their public service.

OLIVER MASTER

162. DEA/2446-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire à Terre-Neuve[79]

Secretary of State for External Affairs to High Commissioner in Newfoundland[79]

CIRCULAR DESPATCH 191 Ottawa, June 29, 1944

Sir,

I have the honour to refer to the subject of the relations of officers of this Department with those of the Department of Trade and Commerce at posts abroad. There has been established in Ottawa an interdepartmental committee for the study of these relations and, at a meeting held on May 11, the question of further collaboration in the preparation of general despatches and like matters was examined and recommendations were adopted. These were concerned with the problem which arises when officers of the Department of Trade and Commerce and officers of this Department are serving in the same place. In some instances, they may be under the same roof and, in other cases, they may be in separate buildings. The principles involved will also be of interest to offices abroad which are not directly concerned.

2. It is considered that it is desirable to establish procedures whereby the officers of the Commercial Intelligence Service will be kept informed of and consulted with regard to general despatches which are sent out or received by our High Commissioners' offices, Embassies, and Legations.

3. For this purpose, it would be helpful if our offices abroad would make arrangements, in the case of missions which are in the same place as Trade Commissioners' offices, for inter-office reference of despatches of general interest. It could be worked out in much the same way as references between divisions in the Department at Ottawa. It would be unnecessary, in most cases, to make additional copies of the documents as they could be examined between disposition and filing without giving rise to any administrative difficulties. The Department of Trade and Commerce will be giving similar instructions to its officers abroad and it is expected that members of the Commercial Intelligence Service will refer despatches of general interest to the head of the diplomatic mission and, in the appropriate cases, furnish copies of reports.

4. It would also be convenient to include a note in the final paragraph of despatches of the fact of reference to the Commercial Counsellor, Commercial Secretary or Trade Commissioner, in the same way as in the case of reference to heads of neighbouring Canadian missions.

5. The Committee also thought that it might be desirable to encourage consultation between members of the Services in the preparation of despatches of general political and economic interest. The actual fields of interest of members of the Commercial Intelligence Service and of the External Affairs

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[79]Des dépêches semblables furent envoyées à toutes les missions à l'étranger.
Similar despatches were sent to all missions abroad.

Service blend into one another and their experience in the countries in which they are serving extends beyond their immediate centres of interest. It is thought, therefore, that consultation would be helpful to members of both Services. It is not possible to set down any rules or regulations designed to bring about consultation but if it is encouraged by the heads of missions, it will undoubtedly improve general political and economic reporting and broaden the experience of the personnel concerned.

6. I should be grateful if you would let me have any comments or suggestions which you may wish to make with regard to this aspect of collaboration between the Services abroad.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

163. DEA/2446-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A.497 London, August 11, 1944

Sir,

I have the honour to refer to your circular despatch No. 814 of the 29th June[80] regarding the relations of the officers of the offices of the Commercial Intelligence Service with High Commissioners' Offices, Embassies and Legations.

2. The admirable suggestions set forth in your despatch are already operative here and I am glad to be able to say that in the case of this Office, the closest co-operation exists. The Office of the Trade Commissioners is kept fully informed and is consulted with regard to despatches sent out or received, touching matters of mutual concern, and in the majority of cases communications regarding commercial matters are drafted in that office. I therefore deem it appropriate to say that all relations between the officers of the Department of External Affairs and the Department of Trade and Commerce here are a happy example of the extent to which the maximum collaboration may be achieved.

I have etc.

VINCENT MASSEY

[80] Voir le document 162. La plupart des missions à l'étranger envoyèrent des réponses semblables.
See Document 162. Most of the missions abroad sent similar replies.

PARTIE 5/PART 5
PASSEPORTS
PASSPORTS

164. DEA/8204-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, June 23, 1944

With your approval, I should like to authorize our High Commissioners in Commonwealth countries to issue Canadian passports under the same conditions as our Embassies and Legations in foreign countries are now issuing them.[81] At the present time, Canadians in the United Kingdom, when their passports expire, have to secure United Kingdom passports, and people from the United Kingdom, if their passports expire while they are in Canada, have to get new Canadian passports from our Office here. Our officers abroad have reported a good deal of misunderstanding and some resentment of this situation. It has been mainly on the part of Canadians, stationed overseas, who wished to maintain their connection with Canada, which is evidenced by the possession of a Canadian passport. Authorizing the High Commissioners' offices to issue passports would be an optional and additional facility which would not modify the present position in any fundamental respect. The United Kingdom Passport Office would still renew or replace Canadian passports on application, and our Passport Office in Ottawa would continue to perform the same services for residents of other parts of the British Empire who happened to be in Canada.

In a number of respects our passport system is anomalous and needs overhauling. For instance, our passports are issued in the name of the Governor General, while British passports are issued in the name of the Foreign Secretary. I think it would be more appropriate if our passports were issued in the name of the Secretary of State for External Affairs, but this is a change which could easily wait until the change over at the time of the appointment of a new Governor General.[82]

More important is the question of the description of the holder of a Canadian passport. Currently he is simply described as a British subject, and there is nothing on the face of the passport, nor in the fact that it is in the holder's possession to prove that he is more closely connected with Canada

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[81]Note marginale:
Marginal note:
I approve. W. L. M[ACKENZIE] K[ING]

[82]Note marginale:
Marginal note:
Just before

than with any other part of the Commonwealth and that his diplomatic protection abroad is in any special sense the responsibility of the Canadian Government. This question of description is, of course, part of the much bigger question of the status of Canadian nationals or citizens. We have been waiting for years[83] for State and Immigration to take the initiative in framing a satisfactory and coherent definition of Canadian citizenship. I think we will have to take the responsibility for moving in this matter[84] because we are confronted, in a practical way in the ordinary work of our Department, with many real difficulties arising out of the contradictions and anomalies between the Immigration Act, the Naturalization Act and the Canadian Nationals Act. These difficulties relate to the issuing of passports, the diplomatic protection of Canadians abroad, and the arrangements for their repatriation from foreign countries. I hope we can get the interested Departments together in recommending a draft Bill, which might be ready for consideration next year.[85]

N. A. R[OBERTSON]

165. DEA/10-BW-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 1274 Ottawa, October 12, 1944

Sir,

With reference to Mr. Hudd's letter of April 11, 1944,† and previous correspondence† concerning the provision of passport facilities for Canadians resident in the United Kingdom and other parts of the Commonwealth, I have the honour to inform you that your Office, together with the Offices of all Canadian High Commissioners abroad, has now been authorized to issue and renew passports and to engage in passport activities on the same basis as other Canadian Missions abroad, namely in accordance with the Passport and Visa Regulations, dated Ottawa, June 1st, 1943,† copy of which was forwarded to you under covering despatch No. 578 of June 17, 1943.†

We are informing the British High Commissioner here of this long overdue development (you might do likewise with the British authorities), at the same time stating that we do not expect Earnscliffe to engage in passport activities at least for the present and that the Passport Office here will continue as

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[83]Note marginale:
Marginal note:
and will continue to wait, so long as you rely on them. K[ING]

[84]Note marginale:
Marginal note:
I agree. K[ING]

[85]Note marginale:
Marginal note:
I hope so too. W. L. M[ACKENZIE] K[ING] 18-7-44.

heretofore to provide passport facilities to all British subjects with the exception of those from Ireland and the Union of South Africa who are looked after in this respect by their own High Commissioners.

With regard to exempting from the normal passport requirements the wives of Canadian soldiers proceeding to Canada under the Free Passage Scheme, it might be as well in these cases to furnish them with the new "Canadian Travel Certificates" in lieu of passports, if the proposed plan mentioned in the above referred to letter from Mr. Hudd has been in operation.

The required passport supplies, stamps and other necessary material will be forwarded to you at an early date.

I have etc.

E. D'ARCY MCGREER
for the Secretary of State
for External Affairs

166. DEA/10-BW-40

Le ministre, l'ambassade aux États-Unis, au premier secrétaire

Minister, Embassy in United States, to First Secretary

Washington, October 19, 1944

Dear D'Arcy [McGreer],

I was thrilled to get your letter of October 14th† and to know that after years of hard and earnest endeavour on your part and mine, Canada House is at long last being put in the position of a United Kingdom Vice-Consulate and is to be allowed the high privilege of giving Canadian passports to Canadians thereby making it unnecessary for the Canadian High Commissioner and his staff to travel on British passports!

Yours sincerely,

MIKE [PEARSON]

167. DEA/10-CK-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, September 24, 1945

Some months ago when you authorized our High Commissioners in other Commonwealth countries to issue and renew Canadian passports, you agreed that it would be more appropriate to have Canadian passports issued in the name of the Secretary of State for External Affairs rather than in that of the Governor General, but felt, in view of the fact that the present Governor

General's term was approaching its close, that the matter might be taken up shortly before the new Governor General arrived.[86]

The practice in the various nations of the Commonwealth is as follows:

United Kingdom

Passports are issued by the Foreign Office and read "We, Robert Anthony Eden, a Member of His Majesty's Most Honourable Privy Council, a Member of Parliament, etc., etc., His Majesty's Principal Secretary of State for Foreign Affairs, request and require, etc."

Australia

Passports are issued by the Department of the Interior at Canberra and by the Collector of Customs in each of the State capitals and read "I, the Governor General of the Commonwealth of Australia, etc., etc."

South Africa

Passports are issued by the Department of the Interior and are worded "His Excellency the Governor General, etc., etc., requests, etc..." and are signed by the Minister of the Interior.

Ireland

The issuing authority is External Affairs and the inscription is "We, Minister for External Affairs for Ireland, request, etc., etc.", and is printed in three languages Gaelic, English and French.

In Canada the inscription used at the present time is as follows:

"We, Alexander, Earl of Athlone, Knight of the Most Noble Order of the Garter, etc., Governor-General and Commander-in-Chief of Canada,
Request, in the name of His Britannic Majesty, all those, etc..."

On this question the late Dr. Skelton[87] had the following observation to make to the Canadian Legation in Paris on October 29th, 1928:

"My own opinion is that it would be more consistent to have the passport issued by the Secretary of State for External Affairs in the name of the King, but that on personal grounds it would be preferable to postpone any such change until the end of the term of the present Governor General."

Appended is a suggested form of inscription to be brought in to use at the end of the present term of office of the Governor General. As it takes a couple of months to prepare new passports, I would suggest that you mention the

[86]Note marginale:
Marginal note:
perfectly true

[87]Sous-secrétaire d'État aux Affaires extérieures, 1925-41.
Under-Secretary of State for External Affairs, 1925-41.

proposed change to the Governor General when you see him in England[88] so that we will be in a position to have the new document ready[89] before the new Governor General takes over.[90]

N. A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

Projet d'inscription pour les passeports[91]

Draft Inscription for Passports[91]

CANADA

The Secretary of State for External Affairs requests, in the name of His Majesty the King, all those whom it may concern to allow the bearer to pass freely without let or hindrance and to afford him or her every assistance and protection of which he or she may stand in need.

Le Secrétaire d'État aux Affaires extérieures du Canada demande, au nom de Sa Majesté le Roi, à tous ceux que les présentes peuvent concerner, de permettre au titulaire de passer librement et sans entrave et de lui accorder tout le secours et toute la protection dont il ou elle pourrait avoir besoin.

W. L. MACKENZIE KING

168. DEA/10-CK-40

Le sous-secrétaire d'État aux Affaires extérieures au secrétaire adjoint du Gouverneur général

Under-Secretary of State for External Affairs to Assistant Secretary to Governor General

Ottawa, December 12, 1945

Dear Mr. Pereira,

We have to put in hand arrangements for the printing of a new Canadian passport in view of the appointment of a new Governor General.

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[88]Mackenzie King devait se rendre à Londres sous peu. Voir J. W. Pickersgill and D. F. Forster, eds; *The Mackenzie King Record*. Volume III 1945-1946, Toronto, University of Toronto Press, 1970, p. 24.
Mackenzie King was to leave for London in a few days. See J. W. Pickersgill and D. F. Forster, eds; *The Mackenzie King Record*. Volume III 1945-1946, Toronto, University of Toronto Press, 1970, p. 24.

[89]Note marginale:
Marginal note:
OK Handy note

[90]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Seen, read and approved. K[ING] 1-10-45.

[91]La note suivante était écrite sur ce projet:
The following note was written on the draft:
Approved at sea. W. L. M[ACKENZIE] K[ING] 1-10-45.

I am directed by the Prime Minister to advise, for the information and approval of His Excellency, that it is proposed to issue the new passport under the signature of the Secretary of State for External Affairs, which would be in conformity with the long established practice in the United Kingdom. The change over would wait until the end of Lord Athlone's term.

Attached hereto is a sheet† giving the wording in the United Kingdom passport, together with a sheet† giving the wording in the present Canadian passport. The proposed wording for the new Canadian passport to be issued under the signature of the Secretary of State for External Affairs is indicated on a third sheet, also attached.[92]

It would be appreciated if you would request the approval of His Excellency in the matter.

Yours sincerely,

N. A. ROBERTSON

169. DEA/10-CK-40

Le secrétaire adjoint du Gouverneur général au sous-secrétaire d'État aux Affaires extérieures

Assistant Secretary to Governor General to Under-Secretary of State for External Affairs

Ottawa, December 14, 1945

Dear Mr. Robertson,

I submitted your letter of the 12th instant to the Governor-General and am desired by His Excellency to inform you that he approves of the proposal to issue the new passport under the signature of the Secretary of State for External Affairs.

Yours sincerely,

F. L. C. PEREIRA

[92] Voir la pièce jointe, document précédent.
See enclosure, previous document.

Chapitre II/Chapter II

CONDUITE DE LA GUERRE
CONDUCT OF THE WAR

Partie 1/Part 1

POLITIQUES ET OBJECTIFS DES ALLIÉS
POLICIES AND OBJECTIVES OF THE ALLIES

Section A

CAPITULATION SANS CONDITIONS
UNCONDITIONAL SURRENDER

170. DEA/7-Fs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

Telegram Circular D.404 London, March 20, 1944

Most Secret. We have recently had under review application of principle of unconditional surrender to the minor Axis European States in the light of the new situation created by Soviet action in case of Finland. Soviet terms for Finland (my telegram of 21st February, Circular D. 257)[1] did not include unconditional surrender. They explicitly provided for "negotiations" on certain specified subjects and Soviet Government announced, in a broadcast on 29th February, that rumours appearing in foreign press that unconditional surrender had been demanded were without foundation.

2. We regard the term "unconditional surrender" as meaning that an enemy State offering to surrender is barred from attaching any conditions to its offer and that it must accept without discussion our requirements whether all presented at once or by stages.

3. While it may be desirable to continue to apply this interpretation of unconditional surrender to Germany and Japan, we feel that in the case of the minor European Axis States better results might be achieved by dropping it either tacitly or openly. Our desire is to get them out of the war as soon as possible, and we may wish to give them some assurance that their desertion of Germany, and any material contribution they may make to hastening latter's defeat, will earn them some reward. We also wish to be able to discuss with them such questions as military collaboration, future frontier claims, or the

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[1] Voir le document 755.
See Document 755.

possibility of our giving them assistance against the Germans. All this is ruled out if unconditional surrender is literally interpreted.

4. Principle of unconditional surrender was laid down at Casablanca Conference and confirmed at Moscow Conference in preamble of Declaration on General Security[2] where it was applied specifically to all Axis Powers with which United Kingdom, United States and Soviet Governments are respectively at war. Any change in the application of this principle must, therefore, be discussed with United States and Soviet Governments.

5. His Majesty's Ambassadors for United Kingdom at Washington and Moscow have, therefore, been instructed to approach United States and Soviet Governments respectively and to propose that, for purposes of both propaganda and peace feelers, all three Governments should be freed from the Moscow decision as far as the minor European States are concerned, and that in future they should, so far as these States are concerned, be at liberty to decide in consultation according to circumstances whether or not to insist on unconditional surrender.

171. DEA/7-Fs

Le secrétaire d'État aux Affairs extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 44 Ottawa, March 21, 1944

MOST SECRET. Your telegram Circular D. 404 of March 20th. We are in full agreement that a modification of the principle of unconditional surrender is desirable in the case of minor Axis states. The rigid application of the principle might prolong the war without changing the terms of the settlement to be imposed on these countries. We, therefore, hope that United States and Soviet Governments will agree to your suggestions.

172. DEA/7-Fs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D.477 London, April 1, 1944

MOST SECRET. My telegram Circular D.404 of March 20th. Soviet Government favour our proposal and promise their final decision when they have received views of United States Government whom they are now consulting.

2. They consider that principle of unconditional surrender of Germany "must not be subject to doubt" and must be fully maintained.

3. Views of United States Government not yet received.

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[2]Voir le volume 9, document 241.
See Volume 9, Document 241.

173. DEA/7-Fs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D.591 London, April 19, 1944

TOP SECRET. My telegram Circular D.477 of April 1st. United States State Department have replied to our proposal regarding desirability or otherwise of continuing principle of unconditional surrender towards European satellite States.

2. They consider that it is undesirable to make any general departure in principle from doctrine of unconditional surrender. Any such departure in principle would inevitably serve as a precedent for future cases. They would prefer that general principle of unconditional surrender should be retained intact, but they would be prepared to give favourable consideration to any modification of this principle in specific cases when either Soviet Government or we believe such modification to be advantageous.

3. United States Government are informing Soviet Government of their views.

174. DEA/7-Fs

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État adjoint aux Affaires extérieures

Minister, Embassy in United States, to Assistant Under-Secretary of State for External Affairs

TOP SECRET Washington, May 4, 1944

Dear Mr. Wrong,

On April 22 you wrote to me[†] concerning the reply of the United States government to the United Kingdom suggestion that the principle of unconditional surrender should be dropped in the case of the minor Axis states.

Mr. Reid brought this question up when he was talking this afternoon to Mr. Riddleberger, the chief of the Division of Central European Affairs in the State Department.

Mr. Riddleberger said that he had some time ago sent a memorandum to the White House supporting the proposal that unconditional surrender be no longer demanded from the satellites, but that he had had his ears pinned back. When the Soviet Union informed the State Department that they also favoured the proposal, he again took the matter up with the White House and succeeded in getting agreement on the compromise formula of which you were informed in the Dominions Office Circular D.591 of April 19. He interpreted the formula in the same terms as you, namely, that the United States does not favour a public announcement that the minor enemies may not be required to surrender unconditionally, but that they are prepared to consent to conditional surrender in certain cases if this is proposed by either the United Kingdom or the Soviet governments.

He indicated that the President was much attached to the term "unconditional surrender," and that it was therefore necessary to avoid what he called a "public recantation" of the doctrine.

Mr. Reid thought it wise to inform him of the attitude of the Canadian government on this question as expressed to the United Kingdom government.

Yours sincerely,

L. B. PEARSON

SECTION B

RECONNAISSANCE DU GOUVERNEMENT PROVISOIRE FRANÇAIS
RECOGNITION OF FRENCH PROVISIONAL GOVERNMENT

175. DEA/1-Ps

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D.138 London, January 28, 1944

MOST SECRET. My telegram Circular D.888 of November 1st, 1943,[†] administration of liberated France.

French Committee addressed notes to United States and United Kingdom Governments on January 6th pressing for negotiation of an agreement and pointing out that if agreement were not reached before military operations were undertaken in France, United States and United Kingdom authorities would be obliged either to negotiate on the spot with Vichy authorities or to establish a regime of direct administration. United States Government replied to French Committee on January 18th that all questions concerning future military operations in France were under active study by appropriate authorities of United States Government who would inform Committee as soon as arrangements had been made for dealing with situation. Reply continued that there was no reason whatever for supposing that United States Government contemplated treating with Vichy authorities. United States Government had no intention of having any dealings or relations with Vichy regime except for purpose of abolishing it and had no intention of dealing with any individual in France known to have wilfully collaborated with the enemy.

2. It has not yet been possible to discuss this question in European Advisory Commission as agreed at Moscow Conference.[1] Meanwhile United States Government have communicated to us and to Soviet Government draft (see my immediate following telegram) of a proposed statement on France which they suggest should be issued jointly by United States, United Kingdom and Soviet

[1]Conférence des secrétaires aux Affaires étrangères des États-Unis, de Grande-Bretagne et de l'Union soviétique, 19 au 30 octobre 1943.
Conference of Foreign Secretaries of the United States, Great Britain and the Soviet Union, October 19-30, 1943.

Governments when Supreme Allied Commander has made his arrangements for liaison with authorities of occupied countries in planning civil affairs procedure for invasion period.

3. Foreign Secretary on receiving draft from United States Ambassador told him that, while at first sight it might be wise to issue some kind of a statement at appropriate moment, he doubted whether either precise terms of declaration or time of its issue could be decided upon until Supreme Commander had terminated his discussions with the French authorities. In view of effect such a statement must have on the French people it might be necessary to discuss its terms with the French Committee before issuing it. We would, however, study the draft and let United States Government have our considered views on it.

176. DEA/1-Ps

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D.139 London, January 28, 1944

MOST SECRET. My immediately preceding telegram. United States draft Declaration on administration of liberated France, Begins: The Governments of the United States of America, the United Kingdom and the Soviet Union, in pursuit of their paramount aim, the defeat of Germany, are determined to bring about earliest possible liberation of France from her oppressors, and create conditions in which a democratically constituted French Government may be re-established. The ultimate aim of the three Governments is the free choice by the French people of the Government under which they will live.

2. In conducting military operations in France, and so long as military necessity requires, it is manifest that the Supreme Allied Commander must have supreme authority in order that the prosecution of the war against Germany may be pursued relentlessly with full cooperation of the French people. It is the intention of the Allies that civil administration shall, insofar as possible, be left to the French citizens.

3. The three Governments are confident that at the proper time all French patriots will rise to the aid of the Allies in ejecting the Nazi oppressors from their land. The Allies and the Supreme Commander will have no dealings or relations with the Vichy regime except for the purpose of abolishing it. No person will be retained or employed in any office by the Allied military authorities who has wilfully collaborated with the enemy or has acted in a manner inimical to the cause of the United Nations.

4. The restoration of civil administration in France will be left to the French people in conformity to their traditional love of liberty and independence.

5. It is the hope of the Allies that the French people, having as their primary objective the freeing of France from Nazi domination, will subordinate political activity to necessity for unity in ejecting and destroying the enemy.

6. With these objects in mind, the Allies will count upon the assistance of all Frenchmen in the maintenance of public order and conditions which will permit the restoration of the Government by the consent of the people. Ends.

177. DEA/1-Ps

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, February 4, 1944

Dominions Office Circular telegrams D.138 and 139 of January 28th relate to a disturbing proposal from Washington for the issue of a formal declaration on the liberation of France by the United States, the United Kingdom and the U.S.S.R. In view of the character of the proposed declaration, I think some observations from the Canadian Government will be required.

The French Committee has for some time been trying to negotiate an agreement with the Allied authorities covering the question of the administration of liberated France. On January 6th they sent formal notes to the United Kingdom and United States Governments in which they said, perhaps tactlessly, that if such an agreement were not made the Allied military authorities would either have to deal with the Vichy administration or govern France themselves. There is a good deal of truth in this but the reference to Vichy was probably a diplomatic error and it has already drawn a sharp reply from Washington.

The United States Government has now given the United Kingdom and Soviet Governments a draft statement with the suggestion that it should be issued by the three Governments when the Supreme Allied Commander has completed his plans for civil administration in the invasion period. Mr. Eden did not commit his Government on the question, and has suggested that the text of any such statement might be discussed with the French Committee before it is issued.

The draft appears to be open to objection on a number of counts. It seems likely not only to defeat its own purposes in large measure but to antagonize the French Committee and to be resented by other United Nations including our own. One would gather from it that only the United Kingdom, the United States and the Soviet Union are really concerned over the liberation of France and that they in their wisdom intend in due course to create a democratic French Government. There is in it no reference whatever to the French Committee, which we have all recognized in degree as the trustee of French interests abroad, or to the forces of resistance within France, which have now become pretty thoroughly integrated with the Committee in Algiers. There is, it is true, an assertion that civil administration shall be left to French citizens as far as possible and an appeal to Frenchmen to "subordinate political activity to the necessity for unity in ejecting and destroying the enemy"—as though

Frenchmen felt less keenly than Americans about the need of liberating France.

If this statement were to be issued as it now stands, it is perhaps just as well that there has been no suggestion for Canadian participation. If, however, as is more probable it is to be redrafted and turned into a declaration of policy calculated to command the confidence of the French people and consonant with what we all have said about our hopes for the future of France, then I think we should object to the assumption that only the three largest powers among the United States [Nations?] are concerned with the future of France or have any share in the liberation of French territory. We have a dual interest in the nature and effect of the declaration itself and in the position of Canada in a matter of as great a concern to us as the restoration of democratic government in France.

Perhaps the most effective method of dealing with it would be for you to send for Mr. Atherton and express your grave concern over this proposal. He should know the importance Canada must attach to the maintenance of really friendly and understanding relations between France and the rest of us, and should understand our misgivings about a declaration of policy regarding France, which *mutatis mutandis* might have been made of Ethiopia.

With regard to the substance of the declaration, I think it certain that the French Committee will have a large share in the civil administration of France behind the invading armies. The attitude of the Americans on the spot (including General Eisenhower and Mr. Murphy) towards the Committee and even towards General de Gaulle has become much more favourable. They recognize that de Gaulle is the most important political figure on the French scene and must play a big part during the actual period of liberation. Their fears of an attempt at personal dictatorship seem to have greatly diminished. If France is to become again a democracy as soon as possible it can only do so through the efforts of the French Committee and the resistance movement. We have received from our most secret sources a good deal of information about the discussions which have been going on in Washington between representatives of the French Committee and the U.S. authorities. These leave a strong impression that the French have in recent months acted with great restraint and have behaved throughout as trustees for the interests of France without seeking to press points of special concern to the Committee itself.

178. DEA/1-Ps

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1706 Washington, March 18, 1944

IMMEDIATE. MOST SECRET. Following for Robertson from Pearson, Begins: My WA-1432 of March 9th†—occupation of French territory.

The British Embassy has given Reid a copy of the cable they are to-day sending to London transmitting the text of a letter from the President to the Secretary of War. The State Department does not know we have a copy and the condition on which we were given it by the British Embassy is that we do not let the United States know that we received it from them. It is assumed that the United Kingdom will consider it to be a draft and that they will suggest not only verbal changes but also that it not be sent to the Supreme Allied Commander in the name of the President of the United States. It is not known whether the United Kingdom will be prepared to suggest substantive changes or a reference to the European Advisory Commission.

The document reads as follows, Begins:

Dear Mr. Secretary,

After much thought, and many revisions, and with the approval of yourself and the Secretary of State, I request that the following order be sent to General Eisenhower. I think it covers the practical objective of giving the final command in the forthcoming occupation to General Eisenhower and, at the same time, leaving him free to consult any and all French organizations as circumstances may be determined by him.

General Eisenhower:

This memorandum is directed to you as Supreme Allied Commander in the event of the occupation of French territory:

I. The three paramount aims which are to be the landmarks of your policy are the following:

A. The prompt and complete defeat of Germany.

B. The earliest possible liberation of France from her oppressors.

C. The fostering of democratic methods and conditions under which a French Government may ultimately be established according to the free choice of the French people as [to] the Government under which they wish to live.

II. The following powers and instructions are given you for your guidance in the achievement of the foregoing aims:

1. The Supreme Allied Commander will have supreme authority in order that the war against Germany may be prosecuted relentlessly with the full cooperation of the French people. As such Allied Commander you will have the ultimate determination as to where, when and how the civil administration in France shall be exercised by French citizens, remembering always that the military situation must govern.

2. When and where you determine that there shall be set up a civil administration in any part of France, so far as possible there shall not be retained or employed in any office any person who has wilfully collaborated with the enemy or who has acted in any manner inimical to the cause of the United States.

3. In order to secure the setting up of any such civilian administration locally in any part of France, you may consult with the French Committee of National Liberation and may authorize them in your discretion to select and install the

personnel necessary for such administration. You are, however, not limited to dealing exclusively with said Committee for such purpose in case at any time in your best judgment you determine that some other course or conferee is preferable.

4. Nothing that you do under the powers conferred in the preceding paragraph 3 in connection with the French Committee of National Liberation or with any other group or organization shall constitute a recognition of said Committee or group as the Government of France even on a provisional basis.

5. In making your decision as to entering into such relations with the French Committee of National Liberation or other Committees or persons for that purpose, you should as far as possible obtain from it the following restrictions upon its purposes:

A. It has no intention of exercising indefinitely in France any powers of Government, provisional or otherwise, except to assist in the establishment by the democratic methods above mentioned a Government of France according to the free choice of the French people, and that when such Government is established it will turn over thereto all such powers as it may have.

B. It favors the reestablishment of all the historic French liberties and the destruction of any arbitrary regime or rule of personal Government.

C. It will take no action designed to entrench itself or any particular political group in power pending the selection of a constitutional Government by the free choice of the French people.

6. In any area of liberated France, whether or not there has been set up local control of civil affairs as aforesaid, you will retain the right at any time to make such changes in whole or in part which in your discretion may seem necessary.

(a) For the effective prosecution of the war against Germany;

(b) For the maintenance of law and order; and

(c) For the maintenance of civil liberties.

7. As Supreme Commander you will seek such uniformity in the administration of civil affairs as seems advisable, issue policy directives applicable to British, French, and American Commands, and review all plans.

8. You may at your discretion incorporate in your civil affairs Section members of the French Military Mission and other French officials.

9. You will have no talks or relations with the Vichy regime except for the purpose of terminating its administration in toto.

10. Instructions on economic, fiscal, and relief matters will be furnished you later by the Prime Minister, by the President, or by the Combined Chiefs of Staff.

ROOSEVELT

179. DEA/1-Ps

Mémorandum de conseiller spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs to Assistant Under-Secretary of State for External Affairs

MOST SECRET. Ottawa, March 23, 1944

The following general comments may be made in regard to the President's proposed directive to General Eisenhower:

1. This statement is substantially the same as previous draft declarations prepared in Washington, and show no change or development whatever in United States policy. This policy, as indicated in the current and previous declarations, seems to be,

(a) to deny to the F.C.N.L. any form of recognition as an authority competent to administer Metropolitan France.

(b) to deny to the F.C.N.L. any assurance that it will be permitted even to set foot in Metropolitan France.

(c) to live in the hope that some authority will emerge in France as an alternative to the F.C.N.L.

The references (in paragraph 3 of the proposed directive) to the F.C.N.L. do not really alter this policy.

2. The proposed directive overlooks the Combined Civil Affairs Committee and the Combined Chiefs of Staff, and issues instructions to General Eisenhower, in regard to British and French as well as American forces, directly from the United States War Office.

3. The European Advisory Commission, in which the Russians apparently expect to be informed on this subject, is also ignored. There seems to be no provision by which the Russians could have any part in the course of action which General Eisenhower is instructed to carry out, or any contact with the civil authorities he establishes.

4. If General Eisenhower wishes to grant full authority in civil administration to the F.C.N.L. and to place the Committee in a position where it will become the effective provisional government of France, he might be able to do so within the terms of this directive. The various restrictive clauses would, however, make it necessary for him to bring this about by the most devious and left-handed methods.

5. No provision is made in this document for the restoration of normal civil government in France. Several references are made to the objective of re-establishing a democratic government freely chosen by the French people, but the only specific instructions on the point inform General Eisenhower that he shall not regard any civilian group with which he deals as such a government, nor shall he allow it to take steps by which it might become one (paragraph 4,

5C). Furthermore, any powers which he confers are temporary only, and may be withdrawn by him at any time. The re-establishment of democratic government in France, as far as this directive is concerned, is to take place by methods which are not indicated under auspices which are not named. It might reasonably be inferred from the document that General Eisenhower himself is to conduct the first general elections in France.

6. Clause 5c, which requires the civil authorities recognized by General Eisenhower to take no action designed to entrench themselves in power is open to much possible misunderstanding and misinterpretation. Any good and constructive action on the part of a governing body is likely to have the effect of entrenching it in power.

7. It is presumably left entirely to General Eisenhower to identify members of the "Vichy regime" with whom he is to have no relations.

The course of action outlined in the President's proposed directive is clearly contrary to the general lines of French policy which have been developed in this country. There is also a direct contradiction between the United States statement, and our own and the United Kingdom commitment to give effect as far as possible to the desire of the French Committee of National Liberation to be recognized as the body qualified to ensure the administration and defence of all French interests and to consult the Committee on practical measures to be adopted.

It is, however, difficult to see how the Canadian Government could intervene in the present exchange of views, since we have not been informed officially of what is taking place. One possible action would be to take advantage of our presumed ignorance, and to approach the United States and United Kingdom governments with proposals for fuller recognition of the F.C.N.L. in view of the good record of the Committee and the coming invasion. If there is any disposition in London to resist President Roosevelt on this question, such an action might give the United Kingdom authorities a new base from which to operate. It is not likely we could do any harm, and we might conceivably alter the present tendency of United States policy.

R. G. RIDDELL

180. DEA/1-Ps

Mémorandum du conseiller spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Special Wartime Adviser to Under-Secretary of State for External Affairs to Assistant Under-Secretary of State for External Affairs

MOST SECRET. Ottawa, March 24, 1944

I have read Mr. Riddell's memorandum on the President's proposed directive to General Eisenhower. I am in entire agreement with his argument but would suggest a slight modification in his proposals under paragraph 7. We

have not been consulted on this directive and have made no commitment. On the other hand, Allied policy towards France is of major importance to us from three points of view—(1) the employment of Canadian forces justifies our interest in a satisfactory political background for the invasion; (2) Canadian opinion has a particular interest in French affairs; (3) we cannot escape from post-war affairs in Europe and in those affairs the position of France is of the first importance.

From every point of view, therefore, it seems that the Canadian Government is required to formulate its own policy towards France, and I suggest that the only possible policy is one of recognition of the French Committee as a provisional Government. In my opinion if that recognition is not accorded the French people will not give to the Allied armies the assistance which they would otherwise do. Furthermore, the President's directive would appear to leave to a Military Commander large but vague powers which have nothing to do with military operations. It surely is of urgent importance that the recovery of France should be as rapid as possible and if the United States policy is to be followed I can see nothing but political confusion within France and bitterness toward the Allied countries.

Could we not then inform London and perhaps Washington that we are proposing at an early date to recognise the F.C.N.L. which there is every reason to believe has the confidence of the Consultative Assembly and the Resistance Groups? The Committee's plans for the setting up of a permanent Government of France appear to be satisfactory though somewhat complicated. In expressing these views there will be no need to make any reference to the policy of either the United Kingdom or the United States about which we officially know nothing. I believe that a firm statement of this type if made at a very early date might have a considerable influence on the United Kingdom and United States Governments. Even if it did not, it is in my opinion the proper policy for Canada and I can see no reason why we should not have our own policy in this matter.

G. DE T. G[LAZEBROOK]

181. DEA/1-Ps

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, March 28, 1944

I recently sent you a copy of Washington message WA-1706 of March 18th which contained the text of a directive prepared by the President for the guidance of General Eisenhower on the administration of French territory following its reconquest from the Germans. This document contains the seeds of future trouble, in which we cannot fail to be involved in some measure. I think, therefore, that we cannot let it pass without comment. The text which I

sent to you was secured *sub rosa* from the British Embassy, but since then it has been communicated to the Canadian Joint Staff in Washington by the United Kingdom Staff Mission, and to the High Commissioner in London by the Dominions Office. The Canadian authorities are, therefore, officially in possession of it.

The central difficulty in advancing our views is that the directive has been prepared by President Roosevelt personally in consultation with Admiral Leahy. It is a revision of a draft worked out in the Combined Civil Affairs Committee, which is dependent on the Combined Chiefs of Staff. If its terms become known to the French authorities in Algiers, it is almost certain to provoke an explosion. There has been leakage to the press in Washington, and responsibility for the aloofness towards the French committee shown in the directive has been ascribed to Mr. Roosevelt.

If you agree with the views set forth in the following paragraphs of this note, I think the best course would be for you to have a general discussion of the situation with Malcolm MacDonald, asking him to find out what attitude they are adopting in London and whether they agree with our own apprehensions.

The military prospects are that France will be freed from German control by an Allied army consisting mainly of American, British and Canadian troops. There will be some small contingents from other countries; at most, only one French Division will participate in the main attack from the United Kingdom. There will be a period of indeterminate length in which some, or even all, of France will be under a military Government deriving its authority from General Eisenhower as Supreme Allied Commander. During this period the orderly and progressive transfer of civil administration to a French civil authority or authorities must take place.

The President's directive would lay down the procedure to be followed by the Allied Forces in the establishment of civil administration in any part of France. It provides little, however, in the way of positive guidance beyond a statement of aims, and it purposely puts the French Committee of National Liberation very much in the background. It does this in such a way as to leave quite obscure the methods whereby a French government can be established according to the free choice of the French people, although this is defined as one of the three "paramount aims" of the policy to be pursued.

General Eisenhower, it is true, is authorized to consult with the French Committee and to permit them to select and install civilian administrative personnel. It is spelled out, however, that he is not limited to dealing exclusively with the Committee (which is reasonable), and that nothing that he may do will constitute the recognition of the Committee as a provisional Government. He is also required to obtain as far as possible from the Committee a series of restrictions (specified in paragraph 5 of the directive), all of which have already been publicly proclaimed at the time the Committee was formed as being among its basic purposes.

Meanwhile in Algiers the Committee is developing plans in concert with the consultative Assembly for establishing in a thoroughly democratic way a

republican government in liberated France. The Committee and Assembly are already integrated with the resistance movements inside France, which must provide the assistance on which the success of the Allied attack will in part depend. The wholehearted co-operation of the Committee and the resistance movements is needed to reduce the time and cut the cost of the invasion. There is no alternative authority in France except the Vichy regime, which is explicitly ruled out. General Eisenhower will have to rely on the Committee and the resistance movements, but under this directive he can only do so left-handedly.

We know that Eisenhower himself, the American representatives in Algiers, and also the State Department, have come round to the view that the Committee, whether they like it or not, is the only French authority which can assume responsibility for civil administration, and that it alone can arrange for the difficult transition to a new constitutional regime. We know, also, that this view is held in the United Kingdom. We know that the President has developed a strong animus not only against de Gaulle personally but even against France. He has, for instance, for some time been making suggestions that parts of the French Colonial Empire should be transferred to other control, with particular reference to Indo China and the French South Sea Islands.

If the directive becomes Allied policy, there is danger that when a free French Government does emerge it will be hostile not only to the United States but also to the British Commonwealth, including ourselves. The long-term implications of what is done during the period of liberation are of the first importance. On this may depend the prospect of there emerging a strong and stable France, and indeed a stable European settlement.

The directive, furthermore, is objectionable from another point of view. It has been issued from the White House with instructions to the Secretary of War to transmit it as an order to General Eisenhower. It has not been concurred in by the British Government, nor has it been considered by the European Advisory Commission which is directly charged with responsibility in matters of this sort. Even if it were to be regarded as a purely military matter, it should not go from the President to the Supreme Allied Commander, but should reach him as an order from the Combined Chiefs of Staff.

Both the United Kingdom and ourselves have adopted a policy contrary to the terms of the directive in the notes of last August defining our relationship to the Committee. Both the United Kingdom and Canada undertook to give effect as far as possible to the Committee's desire to become the body qualified to ensure the administration and defence of all French interests, "while reserving the right to consider *in consultation with the Committee* the practical application of this principle in *particular cases* as they arise."[4] We can, therefore, hardly agree to the imposition by the United States of a policy of vital importance to the Committee on which it has not been consulted.

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[4]Voir le volume 9, document 1435.
See Volume 9, Document 1435.

I feel, therefore, that we must at least make it clear that this policy is not our policy. We know that the President's judgement does not carry the endorsement of informed opinion, both military and civil, in Washington and in London. If we explore the situation first with London through Mr. MacDonald, we may encourage the United Kingdom Government to urge reconsideration on the most important points. We may also find it desirable to raise the question directly with Washington, where we have a right to be heard on a matter deeply affecting the future of France.

The realistic attitude to adopt is, I think, to maintain Eisenhower's ultimate authority and responsibility intact during the period of active operations, but to recognize in advance (and preferably at once) that as military control is relaxed, the French Committee is responsible for establishing civilian administration, and for arranging elections and taking the other steps essential to the convocation of a representative constituent assembly. In Italy, civil authority has been already transferred, in certain areas, to the Badoglio Government. We shall presumably transfer civil authority to the Belgian, Dutch and other Allied European Governments on the liberation of their territory. The French Committee is now strong enough and stable enough to be treated on the same basis.

182. DEA/1-Ps

Le premier secrétaire, ambassade aux États-Unis, au sous-secrétaire d'État aux Affaires extérieures

First Secretary, Embassy in United States, to Under-Secretary of State for External Affairs

SECRET Washington, March 29, 1944

Dear Mr. Robertson,

We have secured from Mr. Michael Wright of the British Embassy and from General Pope some additional information on the subject of the draft directive on the civil administration of France. My conversation with Wright took place yesterday morning, and Pope's information was secured on Monday, the 27th, from General Macready.[1] Neither the British Embassy nor the British Joint Staff have received any comment from London on the directive. Wright describes its reception in London as a "stunned silence". The directive has been submitted by the U.S. Secretary of War to the Combined Civil Affairs Committee for approval, but the United Kingdom members are not in a position to discuss it without instructions from London.

2. Wright says that the British Embassy's feeling is that it would be virtually hopeless to put a new draft before the President, that Mr. McCloy, Mr. Dunn and others in the State Department feel that they have done all they possibly can to move the President and that there is no use in their going back to him

[1] Chef de l'état-major de l'Armée britannique à Washington.
Chief of British Army Staff, Washington.

again. One of them said he would probably be dismissed if he did. General Marshall is all in favour of recognizing the French Committee as the sole agency for the civil administration of liberated France but says, not unnaturally, that he has so many other matters of more direct concern to him to deal with, that he cannot give time to this particular problem. What he has done is to give Mr. McCloy his blessing to go as far as he can. Mr. Hull is in general inclined to support Mr. McCloy, but is not prepared to push the President.

3. General Macready was somewhat more hopeful, though he may, of course, have been in an unduly optimistic mood on Monday. He believes there is definite reason to hope that the President might be induced by Mr. Churchill to agree to an amendment of the directive under which General Eisenhower would be instructed to deal with the French Committee and such other persons or bodies in France as might subsequently be made known to him by the United Kingdom and United States Governments. This would put the responsibility where it belongs. General Macready thinks that the only way to shift the President would be a personal communication from Mr. Churchill.

4. The Embassy, on the assumption that no substantive change is possible, are inclined to believe that the most practicable plan would be for them to be instructed to discuss the question with Monnet of the French Committee, putting before him not the text of the directive, but the principles contained in it, and suggesting that the French Committee immediately appoint a Military Mission to General Eisenhower's staff to work out the details of the collaboration between the French Committee and General Eisenhower. The Embassy is firmly of the opinion that General Eisenhower can be entirely depended on to treat the French Committee as the sole agency for the civil administration of liberated France.

5. General Pope is strongly of the opinion, and I am inclined to agree with him, that it would be unwise for us to let the United States know that we have received a copy of the directive from the British Joint Staff Mission. There would be danger that this might result in closing up this source of information. Should the Canadian Government, therefore, decide to make any statement to the United States Government on the directive, this statement could be based either on published accounts of the contents of the directive or on the copy given to Canada House by the Dominions Office.

6. I enclose a copy of the secret letter[9] of March 24th from Brigadier Redman of the British Joint Staff Mission to General Pope, enclosing a copy of the directive.

Yours sincerely,

ESCOTT REID

183. DEA/1-Ps

Le sous-secrétaire d'État aux Affaires extérieures au haut commissaire de Grande-Bretagne

Under-Secretary of State for External Affairs to High Commissioner of Great Britain

SECRET Ottawa, April 6, 1944

Dear Malcolm [MacDonald],

I am returning your draft telegrams on the French position.† I may have taken too many liberties in suggesting changes and deletions, including some in the text of the note† which we gave you. I think, however, that the upshot presents pretty faithfully the point of view we should like to have put forward in London.

Yours sincerely,

N. A. ROBERTSON

184. DEA/1-Ps

Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures

High Commissioner of Great Britain to Under-Secretary of State for External Affairs

1001/140 Ottawa, April 10, 1944

SECRET

Dear Norman [Robertson],

Thank you for your letter of the 6th April in which you returned the draft telegrams on the French position.† I enclose herewith copies of the telegrams which were sent; as you will see I did not make any further alterations.

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE 1/ENCLOSURE 1]

Le haut commissaire de Grande-Bretagne au secrétaire aux Dominions

High Commissioner of Great Britain to Dominions Secretary

TELEGRAM 1063 Ottawa, April 6, 1944

SECRET. Norman Robertson and Hume Wrong have spoken to me, on the instructions of Mr. Mackenzie King, about the directive prepared by President Roosevelt for the guidance of General Eisenhower on administration of French territory following its reconquest from Germans. There is a strong feeling here that document contains seeds of future trouble in which Canada cannot fail to

be involved in some measure. First text which they received of document came *sub rosa* from British Embassy in Washington. Since then however it has been communicated to Canadian Joint Staff in Washington by United Kingdom Staff Mission, and to High Commissioner in London by the Dominions Office. Canadian authorities are therefore officially in possession of it. They are considering whether it may be desirable for them to raise question directly with Washington. But they are anxious in the first place to consult the United Kingdom authorities and to find out what attitude they propose to adopt towards the document and whether they agree with Canadian apprehensions. Robertson and Wrong gave me a copy of a note prepared for the Prime Minister, which he had approved as a basis for their discussion with me. My immediately following telegram contains this statement. I should be grateful for your comments on this for transmission to the Canadian Government.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Le haut commissaire de Grande-Bretagne au secrétaire aux Dominions

High Commissioner of Great Britain to Dominions Secretary

TELEGRAM 1064 Ottawa, April 6, 1944

IMMEDIATE. SECRET. Following is statement of Canadian attitude referred to in my immediately preceding telegram.

The military prospects are that France will be freed from German control by an Allied army consisting mainly of American, British and Canadian troops. There will be some small contingents from other countries; at most, only one French Division will participate in the main attack from the United Kingdom. There will be a period of indeterminate length in which some, or even all, of France will be under a military Government deriving its authority from General Eisenhower as Supreme Allied Commander. During this period the orderly and progressive transfer of civil administration to a French civil authority or authorities must take place.

The President's directive would lay down the procedure to be followed by the Allied Forces in the establishment of civil administration in any part of France. It provides little, however, in the way of positive guidance beyond a statement of aims, and it purposely puts the French Committee of National Liberation very much in the background. It does this in such a way as to leave quite obscure the methods whereby a French government can be established according to the free choice of the French people, although this is defined as one of the three "paramount aims" of the policy to be pursued.

General Eisenhower, it is true, is authorized to consult with the French Committee and to permit them to select and install civilian administrative personnel. It is spelled out, however, that he is not limited to dealing exclusively with the Committee (which is reasonable) and that nothing that he may do will constitute the recognition of the Committee as a provisional Government. He is also required to obtain as far as possible from the Committee a series of restrictions (specified in paragraph 5 of the directive) all

of which have already been publicly proclaimed at the time the Committee was formed as being among its basic purposes.

There is left in a vacuum the methods whereby a representative French Government is to be established. The Committee is to be regarded as exercising authority in France only to the degree directly authorized by the Supreme Allied Commander, and the directive repeats and underlines that such authority must be terminated in some undefined manner by the selection of a new Government through the free choice of the French people. It would almost seem to follow from the terms of the directive that French elections ought to be held under Allied Military auspices.

Meanwhile in Algiers the Committee is developing plans in concert with the Consultative Assembly for establishing in a democratic way a republican government in liberated France. The Committee and Assembly are already integrated with the resistance movements inside France, which must provide the assistance on which the success of the Allied attack will in part depend. The wholehearted cooperation of the Committee and of the resistance movements is needed to reduce the time and cut the cost of the invasion. There is no alternative authority in France except the Vichy regime, which is explicitly ruled out. General Eisenhower will have to rely on the Committee and the resistance movement, but under this directive he can only do so left-handedly.

We know that Eisenhower himself, the American representative in Algiers, and also the State Department, have come round to the view that the Committee, whether they like it or not, is the only French authority which can assume responsibility for civil administration, and that it alone can arrange for the difficult transition to a new constitutional regime. We fear that the President may have developed an animus not only against de Gaulle personally but even against France. He has, for instance, for some time been making suggestions that parts of the French Colonial Empire should be transferred to other control, with particular reference to Indo China and the French South Sea Islands.

If the directive becomes Allied policy, there is danger that when a free French Government does emerge the directive may cause that Government to be less friendly not only towards the United States but also towards the British Commonwealth, including ourselves. The long-term implications of what is done during the period of liberation are of the first importance. On this may depend the prospect of there emerging a strong and stable France, and indeed a stable European settlement.

Both the United Kingdom and ourselves have adopted a policy contrary to the terms of the directive in the notes of last August defining our relationship to the Committee. Both the United Kingdom and Canada undertook to give effect as far as possible to the Committee's desire to become the body qualified to ensure the administration and defence of all French interests, "while reserving the right to consider *in consultation with the Committee* the practical application of this principle in *particular cases* as they arise." We can

therefore hardly agree to the imposition by the United States of a policy of vital importance to the Committee on which it has not been consulted.

The realistic attitude to adopt is to maintain Eisenhower's ultimate authority and responsibility intact during the period of active operations, but to recognize in advance (and preferably at once) that as military control is relaxed, the French Committee is responsible for establishing civilian administration and for arranging elections and taking the other steps essential to the convocation of a represenative constituent assembly. In Italy, civil authority has been already transferred, in certain areas, to the Badoglio Government. We shall presumably transfer civil authority to the Belgian, Dutch and other Allied European Governments on the liberation of their territory. The French Committee is now strong enough and stable enough to be treated on the same basis.

185. DEA/1-Ps

Le haut commissaire adjoint de Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures

Deputy High Commissioner of Great Britain to Under-Secretary of State for External Affairs

1001/140 Ottawa, April 22, 1944

Dear Mr. Robertson,

I have had a reply from London to the two telegrams about France, the drafts of which you returned to me with your letter of April 6th.

The telegram asks me to thank you for letting the United Kingdom have the statement of the Canadian views about the President's draft directive. Your views are in fact very much in accord with those held in London. Since the President's directive was prepared two things have happened. Mr. Hull made his broadcast of the 9th[6] and Mr. Law[7] stated in the House of Commons that the United Kingdom was very generally in agreement with this.[8]

The present position is that it is still being considered in London whether to press the President to revise his draft directive to bring it into line with Mr. Hull's speech. But it has not yet been decided whether or not to do this.

As far as the United Kingdom authorities are concerned, there would be no objection to Mr. Mackenzie King putting his views to the President through the Canadian Ambassador in Washington. Alternatively, he may prefer to wait

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[6]Voir États-Unis, *Department of State Bulletin*, Vol. 10, April 15, 1944, pp. 335-42.
See United States, *Department of State Bulletin*, Vol. 10, April 15, 1944, pp. 335-42.

[7]Ministre d'État de Grande-Bretagne.
Minister of State of Great Britain.

[8]Voir Grande-Bretagne, House of Commons, *Debates*, Fifth Series, Volume 399, Column 179.
See Great Britain, House of Commons, *Debates*, Fifth Series, Volume 399, Column 179.

until he reaches London next week, when Mr. Churchill could discuss the position with him in greater detail.[9]

Yours sincerely,

PATRICK DUFF

186. DEA/1-As

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures[10] au secrétaire d'État par intérim aux Affaires extérieures[11]

Memorandum from Assistant Under-Secretary of State for External Affairs[10] to Acting Secretary of State for External Affairs[11]

[Ottawa,] May 18, 1944

I mentioned to you on the telephone today the action taken by the French Committee in suddenly changing its name to the Provisional Government of the French Republic. This was done in the evening of May 16th, following the passage of a resolution proposing this change in the Consultative Assembly the previous evening.

It is possible[12] that someone will raise this question in the House tomorrow. If so, and if you are asked about the position of the Canadian Government, I should be inclined to answer that the Canadian Representative in Algiers has reported the action taken towards the alteration in the title of the French Committee of National Liberation to the Provisional Government of the French Republic. No request has been received, as yet, from the French Committee for the recognition of the new title and, therefore, the occasion has not yet arisen for any decision by the Canadian Government.

As I mentioned to you on the telephone, I have asked the Canadian Embassy in Washington and Canada House in London to discuss the position informally with the United States and United Kingdom authorities. I am nervous lest there should be a rather violent reaction in the White House, especially since the Committee, on May 15th, informed the Consultative Assembly that they proposed to denounce, at once, the agreements between Admiral Darlan and General Clark, on which are based the present relations between the Allied authorities and the French authorities in North Africa.[13]

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[9]La note suivante était écrite sur l'original:
The following note was on the original:
I told Garner who delivered this letter that we were quite happy about Mr. Hull's speech and disposed to accept it as the authoritative exposition of U.S. policy. There was no present question of our pressing the matter further in Washington. R[OBERTSON] 22-4-44.

[10]H. H. Wrong.

[11]L. S. St. Laurent.

[12]La question ne fut pas soulevée.
The question was not raised.

[13]Voir le volume 9, documents 1369 et 1371.
See Volume 9, Documents 1369 and 1371.

My own feeling is that, while I sympathize with the objective of the Committee, I am doubtful about the wisdom of their tactics. I told Bonneau, in conversation a couple of days ago, that it looked as though the Committee would secure in fact, without any difficulty, the position which they had been working for, providing they were really cooperative and did not constantly try to force the pace on questions of form.

187. DEA/1-As

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-2092 Ottawa, May 18, 1944

SECRET. You will have noted in press that, on May 15th, Consultative Assembly in Algiers adopted a resolution moved by a Delegate of Metropolitan Resistance that the French Committee should henceforth be known as the Provisional Government of the French Republic. The resolution was adopted unanimously and President Gouin of the Assembly proceeded to introduce General de Gaulle as President of the Provisional Government.

2. This resolution had no legal effect, since a decree of the French Committee was necessary to sanction it. The Canadian Representative in Algiers reported on May 16th that Committee's approval was likely to be forthcoming. We have been informed, however, by Dominions Office that Mr. Diethelm, Commissioner for War, assured Mr. Duff-Cooper[14] that the resolution was a spontaneous gesture of goodwill towards the Committee, that de Gaulle had not been consulted, that the Committee would take no action, and that everything would continue unchanged.

3. General Vanier has now reported that late on May 16th Committee unanimously adopted the Assembly's proposal, and that an ordinance would be promulgated to this effect which would not modify the provisions of the ordinance of April 21st on the organization of public power in France after liberation.[15] General Vanier has asked for our views. We are telling him to take no action which would imply recognition of the Committee as the Provisional Government of France until he has received instructions.

4. Presumably, after promulgation of the new ordinance the Committee will seek recognition of its new title from Governments of United Nations. Please discuss the position informally with the Department of State and maintain contact on it with United Kingdom Embassy, which may of course already have raised the matter with the Department of State.

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[14]Représentant de Grande-Bretagne auprès du Comité français de libération nationale, Alger.
Representative of Great Britain to the French Committee of National Liberation, Algiers.

[15]Voir *Journal officiel de la République française*, 22 avril 1944, pp. 325-7.
See *Journal officiel de la République française*, April 22, 1944, pp. 325-7.

188. DEA/1-As

L'ambassadeur aux États-Unis au secrétaire d'État par intérim aux Affaires extérieures

Ambassador in United States to Acting Secretary of State for External Affairs

DESPATCH 1283 Washington, May 22, 1944

Sir,

With reference to previous correspondence concerning relations with the French National Committee, I enclose a memorandum dated May 22nd by Mr. Reid on his conversations this morning with Mr. Michael Wright of the British Embassy.

In accordance with the instructions contained in your EX-2092 of May 18th, Mr. Reid has arranged to see Mr. Culbertson at the State Department tomorrow morning. Mr. Culbertson is Chief of the Division of Western European affairs.

I have etc.

L. B. PEARSON
for the Ambassador

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du premier secrétaire, ambassade aux États-Unis

Memorandum by First Secretary, Embassy in the United States

SECRET Washington, May 22, 1944

RELATIONS WITH FRENCH NATIONAL COMMITTEE

I spent an hour this morning with Mr. Michael Wright at the British Embassy. He showed me a large number of recent memoranda and telegrams. In addition to these telegrams he had a fairly large number of telegrams exchanged recently between the Prime Minister and the President. These had been repeated to Lord Halifax in his capacity as a member of the War Cabinet. He was worried about showing me these without authority, since any information which I got from him could come only from that source.[16] I therefore did not press him to let me see them.

Mr. Wright is extremely concerned about the present situation. In his opinion we are drifting into a very dangerous position and it is urgent that action be taken immediately to remedy it. There were two groups of problems; the first relating to the general question of the civil administration in liberated France, the second to the question of supplies for liberated France. The one

[16] Voir le paragraphe 11 du document suivant.
See paragraph 11 of following document.

was being discussed between General Eisenhower and General Koenig[17] in London, the other was being discussed in Washington. Conversations in Washington on supplies were growing worse lately, though the conversations in London appeared to be going better.

Mr. Wright had seen Mr. Robertson's memorandum for the Prime Minister of March 28th and had been much impressed by it. He had noted the suggestion in the second to last paragraph that Canada might find it desirable to raise the question directly with Washington, where we have a right to be heard on a matter deeply affecting the future of France. He said that he himself would welcome our taking the matter up with the United States government. He felt it would do no harm (provided it was clear that we were acting on our own), and might do some good.

The deadlock could be broken only by new instructions from the President, who was acting contrary to the advice given him by his military and civilian advisors such as General McCloy and Mr. Dunn.

So far as the Koenig-Eisenhower discussions in London are concerned, Mr. Wright said that General Koenig appears to have been given restricted permission to communicate in cypher with Algiers. It was not possible for me to get confirmation of the recent newspaper stories that General de Gaulle has been invited to London; indeed I understand that up to the present he has not been invited.

Five main questions are outstanding:

1. Civil affairs question. The directive has not yet been sent. Some time ago the United Kingdom suggested that the phrase in the draft directive "you may consult with the French Committee" should be changed to "you shall consult with the French Committee", but the President turned this down. Mr. Winant a few days ago urged Lord Halifax that the United Kingdom should accept the draft directive, contending that once General Eisenhower had something in writing the situation would work out alright. Mr. Wright recognizes that General Eisenhower's position would be easier if he were to receive the directive even in its present form, but he could not see any other substantial advantages in the proposal. He said that when the United Kindgom government found the President immovable they had decided to make a declaration on their own account, and this declaration was made by Mr. Eden in the House of Commons on May 2 when he said that the United Kingdom government would deal in liberated France only with the French Committee of National Liberation.

2. Supplies. The French Committee was unwilling to put surplus supplies from Africa into the general pot unless they could be given some indication of what supplies the United States and the United Kingdom hoped to provide for liberated France. The President refuses to authorize the giving of any such indication to the French Committee.

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[17]Commandant des forces françaises de l'intérieure.
Commander of French Forces of the Interior.

3. Plan A.[18] Plan A contains an estimate of what supplies the supreme Allied commander thinks could be got into France in the event of a quick collapse of Germany following the invasion and before the Germans could cause widespread destruction in any part of Europe, after allowing for the amount of shipping and port facilities required for the invasion forces. The United States War Department had passed Plan A to Mr. Monnet privately, but it has not been communicated officially to the French Committee and the War Department cannot discuss the matter officially until authorized. Subsequent to decision on the directive on the civil affairs question, unofficial discussions have taken place but these have been abortive since the War Department have not felt free to make modifications in the Plan A figures. The French in Washington on their part say that they cannot make really effective plans for supplies for the post-military period in France until they know what the Anglo-American command are aiming to provide during the military period. Since it will probably prove possible to move much less than under Plan A, at least for the first time or three months, General Eisenhower was asked by the C.C.A.C. on May 18 what, in the light of his operational requirements, he thinks he can provide for the French. It is, in the opinion of Mr. Marris of the British Embassy, essential that discussions take place immediately between General Eisenhower's staff and the French military representatives in London on how the French Committee will organize the movement of supplies at the ports and from the ports into the normal channels of communication[19] in France.

4. Supply of currency and notes. The French in Washington say that the plans which have been contemplated are being upset by the insistence of the United States on introducing a large number of notes for the use of the United States troops, since the U.S. proposals to do this have not been thought out or properly correlated with other plans which have been made. Sir Ronald Campbell had discussions on May 12 on the rate of exchange of the franc with Mr. Monnet and Mr. Mendès-France.[20] They explained that the rate of 200 francs to the £ was provisional in their intention. A final and permanent rate could only be fixed later when conditions were known, and it would have to be fixed within the framework of an international monetary agreement. It was essential that such an agreement be reached at the earliest possible date after the liberation of France in order that the people of France would believe in the rate which had been established. In the opinion of the French this question was urgent. (The insistence of the French on the urgency of this question arises not only out of the substance of the question itself, but also out of the desire of France to participate with the three great powers in discussions on the monetary question.) One other aspect of the financial question which had been left hanging in the air is the financing by France of supplies in the military

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[18]Voir la note 14 du document 1050.
See footnote 14 of Document 1050.

[19]Voir le paragraphe 11 du document suivant.
See paragraph 11 of following document.

[20]Commissaire des Finances.
Commissioner of Finance.

period. No official discussions appear to have been held in London with the French Committee on this subject.

5. Economic administration of liberated France. Mr. Tixier[21] has said that the Algiers Committee is unwilling to take any part in the economic administration of France unless they are the sole agency for the administration of liberated France. The problems are going to be so difficult that they cannot accept responsibility if there are to be competing economic administrations.

In the light of the present situation Mr. Wright thought it unlikely that the French Committee would initiate discussions with the United Nations on the recognition of them as the provisional government of France. He thought, however, that the United States and the United Kingdom might perhaps be forced into taking action for fear that the Soviet Union would recognize the French Committee.

I asked Mr. Wright if he felt that all the possible arguments and considerations had been brought to the attention of the President. I instanced especially the very able summary of the issues involved which had recently been made by Mr. Harold MacMillan. I also referred to the arguments in Mr. Robertson's memorandum. Mr. Wright said that he felt sure that all these arguments had been put as strongly as possible to the President, but without effect. He had not even indicated what methods he had in mind whereby a French government could be established according to the free choice of the French people, nor had he shown any comprehension of the dangers and difficulties of putting General Eisenhower in a position where he had to decide between competing French claimants for the administration of a town in France.

189. DEA/1-As

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-3172 Washington, May 23, 1944

SECRET. 1. My despatch No. 1283 of May 22nd concerning relations with the French National Committee. Reid has given me the following report of the talk he had this afternoon with Culbertson and Bonbright of the Western European Division in the State Department:

(1) They think it is probable, but not certain, that the Committee will promulgate an ordinance changing its name to the Provisional Government of the French Republic. Even if the ordinance is promulgated they think it most unlikely that the Committee will request recognition of its title from the Governments of the United Nations since they would be assured of a rebuff from the United States. In their opinion the main purpose of a change in name

[21] Commissaire du Travail et de la Sécurité social.
Commissioner of Labour and Social Security.

is an effort to strengthen the Committee's position in metropolitan France. In response to a question from me, they said that they did not rule out the possibility that the U.S.S.R. would recognize the Committee as the Provisional Government.

(2) They were not particularly concerned over the failure up to the present to make precise arrangements on supply questions and financial and monetary questions which would arise during and after the liberation of France, since they felt that these problems would be satisfactorily solved when the event occurred.

(3) They put forward the usual explanation of the United States Government's position. During the period of active military operations in any area of France it would be possible to find out to whom the local civil administration should be turned over. It may be that in most areas it should be turned over to the French Committee; in other areas some other group might emerge. If there should emerge groups in France which have public support and which are not prepared to accept the French Committee with its present membership, it is to be assumed that the Committee would make changes in its personnel which would result in these groups adhering to it. Thus, before provisional elections took place the Committee would have become the sole agency for the administration of liberated France. The alternative possibility which they still insist is conceivable, though not probable, is that liberated France will demonstrate a general revulsion against the French Committee. In that event we (presumably the United States and the United Kingdom) will have to face this new situation.

2. There are a few typographical errors in the memorandum of May 22nd enclosed with my despatch under reference which you might correct. The second half of the last sentence of the first paragraph should read "Since the information which I got from them could come only from that source." The word "communications" in the last line of numbered paragraph 3 should be "distribution."

190. DEA/1-As

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, May 24, 1944

Vanier reported on May 17th that the French Committee had decided to give legal effect to the resolution adopted on May 15th by the Consultative Assembly in Algiers changing the Committee's name to "Provisional Government of the French Republic." There had been an earlier report forwarded by the Dominions Office that Diethelm, the Commissioner of War, had assured Duff Cooper that no such action was likely. You will have seen a later telegram from Vanier, dated the 22nd May†, giving the result of a

discussion which he had on the subject with Massigli. It seems probable that there will be at least some little delay before the Committee publishes an ordinance changing its name.

On receipt of Vanier's report of May 17th Wrong asked both the Embassy in Washington and Canada House to make informal enquiries. I enclose a copy of a message from Washington (WA-3172 of May 23rd) giving a report of a discussion at the State Department. Bonneau mentioned the change in title to Wrong the other day and Wrong told him that he thought that the Committee would be very ill-advised to request recognition as a Provisional Government at the present time except in the unlikely event that they could feel reasonably certain that recognition would be accorded by the United States.

I shall send you later a copy of the memorandum referred to in this Washington message which contains an interesting report of a lengthy discussion on the United States attitude towards the French Committee between Escott Reid and Mr. Michael Wright of the British Embassy. This is now being copied.

191. DEA/1-As

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, June 8, 1944

Commandant Bonneau left with me this afternoon a copy of the decree of June 2nd of the French Committee of National Liberation,† designating the Committee as the Provisional Government of the French Republic.

Bonneau had been instructed to explain that this change of official style would not, in any way, affect the organization or functions of the French administration in North Africa, nor would it modify previously agreed plans for the restoration of democratic government in France after its liberation.

The Committee has approved this decree, following the unanimous adoption by the Consultative Assembly, on May 15th, of a resolution requesting it to do so, which had been introduced by M. Gazier, the principal Representative in the Consultative Assembly of the National Council of French Resistance.

I told Mr. Bonneau that I did not think this action of the Committee could, of itself, modify the arrangements under which the Canadian and other Governments had recognized the French Committee in August last. Our representative in Algiers would have to continue with the style of Canadian Representative to the French Committee of National Liberation, and we would, presumably, continue to address Bonneau as the Delegate of the Committee.[22]

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[22]Voir aussi le document 44.
See also Document 44.

192. DEA/1-Es

Le représentant auprès du Comité français de libération nationale au secrétaire d'État aux Affaires extérieures

Representative to the French Committee of National Liberation to Secretary of State for External Affairs

TELEGRAM 161 Algiers, June 15, 1944

TOP SECRET. I hope to consult General de Gaulle shortly after his return to Algiers. May I extend invitation to come to Ottawa in the event of his going to Washington and, if so, would you care to make an announcement to this effect. I know that the invitation would be deeply appreciated, more particularly if conveyed at our first meeting.

VANIER

193. DEA/1-Es

Le représentant auprès du Comité français de libération nationale au secrétaire d'État aux Affaires extérieures

Representative to the French Committee of National Liberation to Secretary of State for External Affairs

TELEGRAM 167 Algiers, June 21, 1944

TOP SECRET. General de Gaulle received me today cheerfully and in good form. He is hopeful that agreement will be reached soon with the United Kingdom regarding administration in France. He said Eden optimistic also about agreement later with United States, but de Gaulle does not share his optimism. He is happy about the present *de facto* situation in Normandy which, except for currency, could not be better.

Regional Commissioner appointed by Committee is carrying out his duties in friendly cooperation with the Allied Command. No attempt was made by authorities in the United Kingdom to prevent Commissioner going to France. Montgomery expressed satisfaction at his presence.

On disembarking in France Canadians were first troops General met. His reception at Bayeux and Issigny convinced him that he and the Committee have the support of the French nation. As soon as reasonably large area is liberated I believe he will appoint in France a Resident Member of the Government. The Committee itself will be transferred to France as soon as such course is justified by the extent of territory recovered.

Questioned about his trip to Washington he said no decision had yet been taken. He appeared to be adverse to going unless he had some sort of assurance that an attempt, at least, would be made by the United States authorities to come to an understanding. But he did not rule out a visit on previous assurances. I took it upon myself to express opinion that he would be well advised to go to Washington with or without assurances, that his going would be a proof of goodwill and would appeal to American public opinion and press,

some sections of which were already favourable to him. Once there, President might find it difficult to limit scope of the visit to exchange of courtesies only. On the other hand, if he did not act so people would say he was difficult and his abstention might be misinterpreted.

I will send by next air bag full report of conversation.†

VANIER

194. W.L.M.K./Vol. 375

Le secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale

Secretary of State for External Affairs to Representative to the French Committee of National Liberation

TELEGRAM 97 Ottawa, June 25, 1944

TOP SECRET AND PERSONAL. Your telegram No. 167 of June 21st. I was very glad to learn that de Gaulle's own estimate of the results of his visit to England tends to confirm the more hopeful view which Eden formed after his last talk with the General.

As we see it, the basic difficulties in the French position can only be satisfactorily settled with the concurrence and cooperation of the President and Churchill who, in this matter, are more likely to move on their own initiative than in response to public and diplomatic pressures. Having in mind the immediate and long range importance of the issues involved and of the sensitiveness of the personal relationships which may affect their outcome, we must be careful during these next weeks to forego action or advice which might possibly prejudice a favourable turn of events.

For these reasons I did not think it advisable to take up your suggestion that General de Gaulle should at once be invited to visit Canada. A prompt and cordial invitation to General de Gaulle to visit Canada could only have been contrasted with the guarded and contingent invitation he had received to visit the United States and would have been construed in the United States and abroad as further evidence of the isolated and unsupported character of the United States attitude toward the French Committee. I think there are some indications that the American attitude toward France is developing favourably. I do not think this development can be quickened by an accumulation of external pressures on the President. In fact, such pressures may have an exactly opposite effect. I feel it would be unwise for us to seek in any way to influence de Gaulle in deciding whether to visit the United States. That should be regarded as a matter pertaining exclusively to him and to the President.

If an appropriate occasion arises for a renewed expression of the interest and importance which Canada has always attached to close and cordial relations between France and her Allies, I cherish the hope that such an expression of our interest and concern will be the more effective because we have kept our counsel and refrained from public judgment on the differences that have divided two of our best friends.

195. DEA/1-Es

Le Représentant auprès du Comité français de libération nationale au secrétaire d'État aux Affaires extérieures

Representative to the French Committee of National Liberation to Secretary of State for External Affairs

TELEGRAM 182 Algiers, June 30, 1944

TOP SECRET. Palewski, Chef de Cabinet of General de Gaulle, who is in Italy, informed me today that the General, following Washington trip, would like very much to visit Canada if an invitation were extended to him. Tentative dates which would suit would be July 10th and July 11th. As General de Gaulle returns to Algiers Sunday and leaves Monday or Tuesday for Washington, I should appreciate knowing if possible before he returns here what reply should be given.

VANIER

196. DEA/1-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 957 London, July 1, 1944

TOP SECRET. Following for the Prime Minister, Begins: My telegram Circular D. 898,[†] paragraph 5. Massigli has informed United Kingdom representative to French Committee that de Gaulle expects to leave for Washington next week. Object of his visit would be to thank President for all that United States had done towards liberation of France and he would not expect to enter into any negotiations unless President desired it. It would, however, be helpful if he could take clear draft of Anglo-French Agreements[21] with him. He would be unable to stay in Washington for more than two or three days as he was most anxious to pay a short visit to Canada and be back at Algiers on July 14th. Ends.

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[21]Voir Sir Llewellyn Woodword, *British Foreign Policy in the Second World War*, Volume III, Londres, H.M. Stationery Office, 1971, pp. 65-67.
See Sir Llewellyn Woodword, *British Foreign Policy in the Second World War*, Volume III, London, H.M. Stationery Office, 1971, pp. 65-67.

197. DEA/1-Es

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

TOP SECRET Ottawa, July 1, 1944

I am attaching additional copies of the two telegrams received today, one from London and one from Algiers, about General de Gaulle's visit to the United States. Apparently, it is now settled that he is to go. He plans to leave on Monday or Tuesday, and be back in Algiers for the celebration of the 14th of July. He has said to Vanier and to Duff-Cooper that he is most anxious to pay a short visit to Canada during his journey, and enquires whether the 10th or 11th of July would be suitable. In the circumstances, I think we have to invite him to come to Canada. I attach a draft telegram to Vanier for your approval.

198. DEA/1-Es

Le secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale

Secretary of State for External Affairs to Representative to the French Committee of National Liberation

TELEGRAM 101 Ottawa, July 2, 1944

IMMEDIATE. TOP SECRET. Your telegram No. 182 of June 30th. Please tell General de Gaulle that we would be very glad to have him visit Ottawa during his journey to North America. The dates tentatively suggested, July 10th and 11th, will be suitable.

199. DEA/1-As-5

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 120 Ottawa, July 18, 1944

SECRET. Following from the Prime Minister for your Prime Minister, Begins: General de Gaulle's visit to Canada, though brief, was I think altogether successful. He received a cordial welcome on all his public appearances in Ottawa, Québec and Montreal, and his statements to the press and over the radio were friendly and probably helpful.

I had several conversations with him during his day in Ottawa. He was, I think, pleased with the results of his Washington discussions and hopeful that they had prepared the way for reaching definite agreements on the various questions outstanding between the French and United States authorities. He

had not himself attempted to negotiate agreements. He described his conversations with the President as very interesting and very cordial.

de Gaulle made little of the question of recognition of the French Committee as the Provisional Government of France, following the line that he took with you in London and with the President in Washington. Our acceptance of the Committee's new title might nevertheless have a helpful psychological effect. Unless there are other considerations not wholly apparent, the question would now seem to be no more than that of the name by which we call the French authority. Their retention of the qualifying adjective "Provisional" should give all the safeguards we need or are likely to get; and the Allies, including the United States, are in fact treating the Committee as a provisional government. Furthermore, we are unlikely to be able to continue to call the French authority by a name which it has formally abolished until free elections can be held in France and a new government is installed through the democratic process. Ends.

200. DEA/1-Es

Le représentant auprès du Comité français de libération nationale au secrétaire d'État aux Affaires extérieures

Representative to the French Committee of National Liberation to Secretary of State for External Affairs

DESPATCH 107 Algiers, July 18, 1944

SECRET

Sir,

1. General de Gaulle received me this morning and kept me some forty minutes. He said he wished to speak to me about his trip to the United States and Canada. He was most enthusiastic about the warm welcome given to him by the Prime Minister, the Governor General, the Princess Alice, members of the Government, and the people generally. He told me about the various functions organized in his honour. The ceremony on Parliament Hill impressed him very particularly.

2. The General gave me the following account of some of the views he expressed to our Prime Minister. He informed the Prime Minister that it would not be possible for France to accept any settlement in Europe which might be concluded by Great Powers without French concurrence. Not one of the other Great Powers took the same peculiar interest in Europe that France did. France's voice would have to be heard also in the settlement of international, as distinct from European, questions of major importance. He did not favour the suggestion put forward by some that Great Powers alone should attempt to establish and maintain peace and generally to control world affairs. All nations large or small (and most nations were small), should have a voice in the post-war organization of peace. This did not preclude the Great Powers from conserving a preponderating influence. In matters however in which smaller

nations had a special major interest, these nations should have a voice in the discussion and settlement on a completely equal footing with the Great Powers. He gave as example, a most interesting one to us, the drawing up of an international agreement on airways and navigation. He assumed that Canada would not accept or tolerate any decision taken in this field unless her status of complete equality with the Great Powers were acknowledged.

3. In reply to an inquiry from the Prime Minister relating to the recognition of the French Committee he had replied that the question of recognition now was not of much importance. It would perhaps have interested them earlier on but now what really mattered was an understanding on the *de facto* situation in French liberated territory where the administration was already being carried on by the Committee's representatives.

4. General de Gaulle then spoke about his trip to Washington where the President had received him in a most friendly manner. He had three conversations, each of about an hour, with Mr. Roosevelt in addition to a long talk at luncheon. The President had been most cordial. The General had informed him before his arrival in Washington that he was not coming to present any request but simply for a friendly exchange of views as the President had expressed a wish for this.

5. The President and he had covered a wide range of subjects but there was no disposition on either part to do more than touch likely [lightly?] on any of them. The question of the Committee's recognition was not discussed in a way which could account for the statement of the President at a subsequent press conference. The General of course was delighted with Mr. Roosevelt's declaration of recognition: he believed that it was in the interest of the United States administration as well as that of the Committee that such a declaration should be made because negotiations were actually taking place in Washington on the basis of the tentative Anglo-French agreements which were almost concluded. It was reasonable and helpful therefore that the Committee's *de facto* position should be recognized.

6. Negotiations were proceeding in Washington at the Hoppenot[24] level. M. Alphand[25] had been left there to help M. Hoppenot. He was sanguine that an agreement would be reached before long. He told me with an amused smile that Mr. Roosevelt in the course of conversation had said suddenly "I don't know much about this currency question, why shouldn't you issue the money?" and the whole thorny problem was solved!

7. The President seemed concerned when discussing the Committee's administration in France with ensuring that the Commander-in-Chief had the last word in territory where military operations were still in progress. The General believed this concern was due to a misunderstanding and that there was no real difference of opinion. He accepted General Eisenhower, the C-in-

[24]Délégué aux États-Unis du Comité français de libération nationale.
Delegate in United States of French Committee of National Liberation.
[25]Directeur des affaires économiques.
Director of Economic Affairs.

C, as the highest authority but not by virtue of his position as C-in-C of the American or of the British or of the Anglo-American Forces but in his capacity as C-in-C of all the Allied Forces and as such, General Eisenhower derived his authority, in respect of France, from (to quote General de Gaulle), the "Provisional Government of the French Republic". The French Government under the Constitution was empowered to declare a state of siege in any part of France and, following such declaration, to transfer to the military authority control of such area. In the proposals made last September the French Committee had suggested this solution. Thus the C-in-C would be invested by the French "Provisional Government" with this special state-of-siege authority. The General foresaw no difficulty in the settlement of the question.

8. He said that Mr. Roosevelt's spontaneous recognition of the Committee had piqued the United Kingdom Government. Mr. Duff Cooper yesterday had expressed his disappointment to him that the impression might be given that the United States had taken the first step in this direction when as a matter of fact the United Kingdom for some time past had been favourable to recognition and had been endeavouring to bring round Mr. Roosevelt. The General added that things might have been different however if Mr. Churchill's reception of him just before the landing in France had been more friendly. He contrasted the warm personal welcome of Mr. Roosevelt with the "déplorable" (this is the French word he used) treatment of him by Mr. Churchill. He was obviously hurt also by the fact that Mr. Churchill had gone to France, with General Smuts, before him and without informing him. He had seen Mr. Churchill on one occasion only, at luncheon on the day of his arrival. General Smuts was present. (This is something the General cannot forget.) Mr. Churchill and he had indulged in a few friendly bouts at luncheon but there had been no serious dissension. Later in the afternoon however when General Eisenhower produced his speech on what General de Gaulle called "AMGOT" and when he (General de Gaulle) declared that he could not agree to be presented to the French people by General Eisenhower, could not accept the currency arrangements and, in the circumstances, would not permit French officials to cooperate with "AMGOT", Mr. Churchill became very angry. He did not see the Prime Minister after this, but at 3 o'clock the following morning Mr. Churchill summoned M. Viénot and, for something over an hour, upbraided him in a disgraceful fashion. Before leaving England, General de Gaulle wrote what he considered quite a friendly letter to Mr. Churchill. He received a reply which, in the interest of Mr. Churchill, had better not be published.

9. The General deplored Mr. Churchill's present foreign policy vis-à-vis the French, particularly in Syria and the Lebanon where he appeared to be taking advantage of French weakness in an attempt to get rid of French influence. At the 14th of July celebration at Beirut, neither General Spears nor any other British officer had appeared. This he thought was inexcusable. He added "Are we allies or not?" He showed some fire when on this subject.

10. I have seldom seen General de Gaulle more relaxed or serene. It was obvious that he was very pleased indeed with the welcome which was given to

him both in the United States and in Canada. He realizes to the full the importance of President Roosevelt's recognition of the French Committee for purposes of administration in liberated French territory. Intuitive as he is he must feel that his trip was a great personal triumph.

I have etc.

GEORGES P. VANIER

201. DEA/1-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 108 London, July 27, 1944

TOP SECRET AND PERSONAL. Following from Prime Minister for Prime Minister, Begins: Your telegram No. 120.

1. Naturally we are watching the situation from week to week, but I cannot think it would be wise to go beyond the President's words at this moment. He had made a great advance to meeting your views and I think it would be a pity if you overbid him. Whenever we make a change let Canada and the United Kingdom do it together.

2. I think it would be a mistake for us to go further now than the President has done. You and he have been such close friends for so long that it would be a great pity to leave him on the beach. In any case you ought to put the point to the President first. Ends.

202. DEA/1-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 126 Ottawa, July 28, 1944

TOP SECRET AND PERSONAL. Following from Prime Minister for Prime Minister, Begins: Your telegram No. 108 of July 27th.

There has clearly been a misunderstanding of the intention and purpose of my message. I did not intend to suggest that we in Canada were contemplating independent acceptance of the title of Provisional Government.

The word "our" in the last paragraph of my telegram No. 120 was not used in any exclusive sense as referring to possible action alone by Canada but rather was intended to express a view which might be shared by Canada and the United Kingdom, and in the new circumstances be welcome to the United States.

The last paragraph of my telegram No. 120 summed up my impression of the general situation reached following de Gaulle's visits to London, Washington and Ottawa. It was intended to express a feeling that the question of the title by which the French Authority was called seemed to have lost its

practical importance. I certainly had no intention of pressing the President to go further than he has now gone and wholly agree with you that we should all continue to keep in step. I have never entertained any other thought. I regret there has been any misunderstanding. Ends.

203. DEA/1-As

Le représentant auprès du Comité française de libération nationale au sous-secrétaire d'État aux Affaires extérieures

Representative to the French Committee of National Liberation to Under-Secretary of State for External Affairs

SECRET AND PERSONAL Algiers, August 8, 1944

Dear Mr. Robertson,

I was very glad indeed to receive your letter of the 25th July[†] to which was attached a copy of your letter of the 25th July addressed to the High Commissioner for Canada, London.[†]

It is a source of great satisfaction to read that our Prime Minister has suggested to Mr. Churchill that our acceptance of the French Committee's new title "Provisional Government of the French Republic" might have a helpful psychological effect. Of course it would. It is also obvious that we cannot go on calling the Provisional Government of the French Republic a "Committee" when, as will happen very soon the "Committee" will be administering and governing the whole of France.

General de Gaulle is no longer interested in our recognition of his Committee or Provisional Government because what is more important to him is the fact that the French people have given their recognition. As a matter of fact there is no Government among the exiled Governments which is nearer the people of its country than the French Committee.

I do hope it may be possible, whether Mr. Churchill accepts the suggestion or not, for Canada to recognize the French Committee as the Provisional Government of the French Republic which in fact it is. Frankly I cannot see what possible ill effect it can have on our relations with the United States and the United Kingdom. Of one thing I am certain, the people of the United States and the United Kingdom will approve our action as reasonable and fair even if their Governments are annoyed by our independence of spirit and action.

Yours sincerely,

GEORGES P. VANIER

204. DEA/1-As

Le sous-secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale

Under-Secretary of State for External Affairs to Representative to the French Committee of National Liberation

SECRET AND PERSONAL Ottawa, August 24, 1944

Dear General Vanier,

With reference to your letter of August 8th, I think that I should let you know that the Government has every intention of keeping in step with the United Kingdom and United States with respect to the recognition of the French Committee as a Provisional Government. The Prime Minister's message to Mr. Churchill, to which you refer, was never intended to be regarded as an indication that we would take separate action on this matter and there have been later exchanges of telegrams between the Prime Minister and Mr. Churchill in which Mr. King has reaffirmed his intention on this point.

The magnificent march of events in France within the last few days ought to speed matters up. Once the Committee is installed in Paris with authority over all or nearly all of metropolitan France, the difficulties in the way of an agreement to call it a government and not a committee on the part of all the Allies ought quickly to disappear.

Yours sincerely,

N. A. ROBERTSON

205. W.L.M.K./Vol. 367

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2377 London, September 13, 1944

MOST IMMEDIATE. TOP SECRET. Following telegram dated September 11th received at this office September 13th, 3:00 p.m. Am making enquiries into this most unfortunate delay in transmission, Begins:

Following for External No. 34 of September 10th. When I called on Massigli he asked me whether the Canadian Government intended to recognise the Provisional Government or whether present position was to continue. He added that if Government delayed their recognition it would hardly be courteous, after all the present Provisional Government and its head had been acclaimed and accepted by the French people. I replied that I would pass on to the Department his enquiry and view. I would be grateful if you would let me know as soon as possible what reply I am to return to the new Minister for

Foreign Affairs. I feel it my duty to reiterate my recommendation made some time ago that the Provisional Government under General de Gaulle be recognized at once.

I questioned Massigli about Communist movement. He said that orders to rise and fight which were given to the people of Paris on August 19th by representative of the Provisional Government were meant to forestall insurrection which it was feared would be attempted by Communists. The people of Paris were ripe then for an uprising and (query group omitted) followed the lead of the Communists. He does not foresee any Communist danger now. The people are interested in getting back (query group omitted, query to) work and a normal existence and not in extreme political doctrines. Ends. Vanier.

206. DEA/1-As

Mémorandum du sous-secrétaire d'État associé aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Associate Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

TOP SECRET. Ottawa, September 27, 1944

From the attached intercepts† we learn that the French Delegates in Washington, Moscow and London formally requested the admission of France to the European Advisory Commission, probably on September 18th or 19th. The first telegram is fragmentary but it obviously is a part of a text of identic notes to be presented in the three capitals. The second is a suggestion of Hoppenot's that the French press and American correspondents should be inspired in Paris to raise the issue.

I am surprised that we have not heard of this démarche from London and am rather concerned that it may get connected up with the recognition of the Provisional Government in some way which will leave us out in the cold. Do you think that the time has come when we should send to our Missions in Washington and London an instruction to approach the State Department and the Dominions Office? Such an instruction might be to speak along the following lines in Washington preferably to Stettinius and in London to Cranborne.

"The Canadian Government was recently placed in an embarrassing position by the announcement in both London and Washington that the French Embassies in those cities had been returned to the French representatives. Some months ago the Canadian Government had intended to make available for the use of the French Delegate the Chancery of the French Legation in Ottawa. A rumour to this effect reached the press and resulted in an approach to the Department of External Affairs by the United States Ambassador urgently requesting on instructions from the State Department that such action should not be taken by the Canadian Government as it would be embarrassing to the United States. The United States Ambassador said that before the

United States Government took any action of this kind, the Canadian Government would be consulted in advance. As a result of this approach the handing over of the French Chancery to the French Delegate was delayed. When the Canadian Government learnt from press despatches that it had been announced in Washington that the French Embassy had been handed over to the French Delegate it was placed in the embarrassing position of tardily pursuing a similar course which had lost value as a gesture of friendly cooperation.[26]

"The Canadian Government has been approached by the French authorities in Paris on the question of the immediate recognition of the Provisional Government in France. It is assumed that similar approaches have been made to other Governments. The Canadian Government also understands that the French are pressing for membership in the European Advisory Commission. The Canadian Government has felt for some time that recognition of the Provisional Government sooner or later was inevitable and that the sooner this recognition was accorded the more beneficial would be its effects. The Canadian Government certainly does not wish to be left in the position of extending recognition only after public announcement has been made that recognition has been accorded by the United States and United Kingdom Governments and wishes, therefore, to remind these Governments of their undertaking to keep the Canadian Government fully informed of any steps in this connection which they contemplate taking."

H. W[RONG]

207. DEA/1-As

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, October 2, 1944

There is some interesting matter in Mr. Churchill's speech of September 28th[27] concerning the recognition of the French Provisional Government. He repeated eloquently his familiar thesis that France must become once more strong, independent and friendly. He argued that French representatives should be included in all discussions affecting the settlement with Germany. He referred to the broadening of the basis of de Gaulle's Government and went on to say that "it would now seem possible" to transform the Consultative Assembly into an elected body to which the de Gaulle Government would be responsible. Such a development "would render possible the recognition of the

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[26]Voir les documents 43 et 49.
See Documents 43 and 49.

[27]Voir Grande-Bretagne, House of Commons, *Debates*, Fifth Series, Volume 403, Columns 493-6.
See Great Britain, House of Commons, *Debates*, Fifth Series, Volume 403, Columns 493-6.

Provisional Government of France and the consequences thereof which we all desire to bring about at the earliest moment." He concluded his reference to France by saying that these matters were under discussion with the French and other Allied Governments and that he was "hopeful that in the near future a happy settlement will be reached to the satisfaction of all concerned."

Mindful of what happened when the French Embassies in Washington and in London were handed over to the French Delegates without prior notification to us, I am concerned lest we might be similarly confronted with recognition of the Provisional Government as result of an agreement reached directly between Roosevelt and Churchill. This would put us in a very difficult position and I attach hereto a draft telegram from you to Mr. Churchill†, referring to his speech and our interest in being fully associated with any decision of the recognition of the Provisional Government.

N. A. R[OBERTSON]

208. DEA/1-As-5

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Union soviétique

Secretary of State for External Affairs
to Ambassador in Soviet Union

TELEGRAM 212 Ottawa, October 17, 1944

IMMEDIATE. TOP SECRET. There are indications that United States Government may now be ready to recognize the Provisional Government in Paris. If so, all the arguments favour action as soon as possible. We are concerned lest early announcement might be made without prior notification to us, perhaps on conclusion of Stalin-Churchill talks. This would be most embarrassing.

2. This question is closely connected with French desire to participate in European Advisory Commission and planning of German settlement which is almost certainly a subject of discussion between Stalin and Churchill. It would tend to reduce French irritation over delay in recognition if recognition were accorded simultaneously with membership in European Advisory Commission.

3. Please consult your United Kingdom colleague and impress on him our desire for advance notification of any public announcement concerning the position of France. We have been promised such notification by both United States and United Kingdom Governments but when heads of Governments meet such promises may be forgotten. Bidault[28] has urged on Vanier the necessity for Canadian recognition and we feel we must be in a position to take simultaneous action with the great powers.

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[28] Ministre des Affaires étrangères du gouvernement provisoire de la France.
Minister for Foreign Affairs of the Provisional Government of France.

4. We are taking this matter up with both United Kingdom and United States authorities but Moscow may be the key point for safeguarding our position.

209. DEA/1-As-5

Extrait d'un télétype du secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Extract from Teletype from Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4237 Ottawa, October 18, 1944

IMMEDIATE. TOP SECRET. There is repeated below text of our telegram No. 212 of October 17th to the Canadian Ambassador in Moscow. We have repeated this telegram to the High Commissioner in London and have asked him to impress personally on Lord Cranborne the importance of prior notification to us of any decision to recognize the French Provisional Government. We are taking the matter up with the United States Ambassador here in the same sense.

. . .

210. DEA/1-As-5

L'ambassadeur en Union soviétique au secrétaire d'État aux Affaires extérieures

Ambassador in Soviet Union to Secretary of State for External Affairs

TELEGRAM 325 Moscow, October 18, 1944

TOP SECRET. Your telegram No. 212 of October 17th regarding recognition of Provisional Government in Paris.

1. Saw Eden who assured me no announcement would be made regarding France as a result of present conversations. They had discussed the subject with Soviet Government who offered no objection to recognition but they really are awaiting definite indication of United States views. In any event no action will be taken before the Canadian Government is informed and he would make note of my expression of our great interest in this matter.

2. Eden also said that they had proposed to the Soviet Government that France and other European Allies should attend the sessions of the European Advisory Commission when questions pertaining to Germany are discussed, but without appointing them members. Soviet Government, while not unfavourable, have not yet definitely agreed to this proposal.

211. DEA/1-As-5

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1564 London, October 19, 1944

MOST IMMEDIATE. TOP SECRET AND PERSONAL. Following for the Prime Minister. Begins: Messages have been exchanged between Mr. Churchill and President Roosevelt regarding question of recognition of French Provisional Government.

2. We have come to conclusion that events in France have now moved to a point where we can take a decision to accord recognition of the present French administration as the Provisional Government of France.

3. French authorities have been co-operating well with Allied Supreme Command and General Eisenhower is prepared to agree to a request from the French administration for declaration of a large part of France as an "interior zone" (in accordance with Civil Affairs Agreement)[29] in which responsibility for civil administration would become entirely a matter for French authorities. (See my telegram Circular D. 1544 of October 16th.†)

4. Internal position of French administration also appears to us to be satisfactory. There is no doubt that the administration has the support of the majority of the French people. For their part the French administration are doing their best to restore democratic basis of French political life. The enlargement of Consultative Assembly is making good progress.

5. We consider that recognition of the French administration as a Provisional Government might be accorded either when the greater part of France is formally declared to be an "interior zone" or alternatively when reformed Assembly has met and has given the administration a vote of confidence. On the whole the first occasion which is likely to be earlier would seem to be preferable.

6. Above considerations have been put to President Roosevelt whose concurrence has been invited. Pending his reply we shall of course take no step.

7. We are also informing the Soviet Government.

8. In anticipation of this event we are engaged in the preparation of a communication to be addressed by Mr. Duff Cooper to the French Minister for Foreign Affairs on behalf of His Majesty's Government in the United Kingdom, text of which will be communicated to you as soon as it is ready. Before sending final instructions to Mr. Duff Cooper, we intend to show our draft to the State Department for their consideration. Ends.

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[29]Du 25 août 1944. Voir États-Unis, Department of State, *Treaties and Other International Acts Series*. Washington, U.S. Government Printing Office, 1952, numéro 2313.
Of August 25, 1944. See United States, Department of State, *Treaties and Other International Acts Series*, Washington, U.S. Government Printing Office, 1952, Number 2313.

212. DEA/1-As-5

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 195 London, October 19, 1944

MOST IMMEDIATE. TOP SECRET AND PERSONAL. Following for the Prime Minister, Begins: My telegram Circular D. 1564 of today. If, as we assume, Canadian Government will wish for their part also to accord recognition to French Provisional Government, we suggest that this might be done if possible in terms similar to those which Mr. Duff Cooper is to be instructed to employ on behalf of His Majesty's Government in the United Kingdom and at the same time.

2. We assume that you will instruct General Vanier direct in the matter and would be grateful if he could in that case be asked to concert his action with Mr. Duff Cooper. Ends.

213. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET. Ottawa, October 20, 1944

A meeting of the War Committee of the Cabinet was held in the Privy Council Chamber on Friday, October 20th, 1944, at 3:00 p.m.

Present:

The Prime Minister (Mr. Mackenzie King), in the Chair,
The Minister of National Defence (Mr. Ralston),
The Minister of National Defence for Air (Mr. Power),
The Minister of Transport (Mr. Michaud),
The Minister of Munitions and Supply (Mr. Howe),
The Minister of National Defence for Naval Services (Mr. Macdonald),
The Minister of Justice (Mr. St. Laurent),
The Under-Secretary of State for External Affairs (Mr. Robertson),
The Secretary to the Cabinet (Mr. Heeney),
The Military Secretary (Major General Pope),
The Assistant Secretary (Mr. Baldwin).

RECOGNITION OF FRENCH PROVISIONAL GOVERNMENT

1. THE PRIME MINISTER reported that it was altogether probable that the U.K. and U.S. governments would, in the immediate future, accord recognition to the French administration as the Provisional Government of France.

It was proposed that Canada take simultaneous action in the same sense. To this end, a draft communication had been prepared, in somewhat different terms to that which the U.K. government would send, extending Canadian recognition and indicating the desire to accredit Major General Vanier as Ambassador Extraordinary and Plenipotentiary of Canada to the Provisional Government of France.

(Telegrams, Circ. D.1564 and 1570,* Dominions Office to External Affairs, Oct.19 and 20, 1944; also External Affairs draft communication,[30] undated.)

2. THE WAR COMMITTEE noted with approval the Prime Minister's report and, after discussion, agreed that action be taken to accord Canadian recognition along the lines of the draft communication submitted.

. . .

214. DEA/1-As-5

Le secrétaire d'État aux Affaires extérieures au représentant en France

Secretary of State for External Affairs to Representative in France

TELEGRAM 201 Ottawa, October 20, 1944

MOST IMMEDIATE. TOP SECRET. We assume that you have received while in London or by repetition from Canada House messages concerning prospective recognition of the Provisional Government on occasion of transfer to French control of the interior zone which has been agreed between Supreme Allied Commander and French authorities. You should concert with Mr. Duff Cooper and Mr. Caffrey[31] your action in notifying the French administration and should present to French Minister of Foreign Affairs a communication, text of which is given in my immediately following telegram. We are telegraphing this text to United Kingdom Government. There remains some possibility of modification in consequence of discussions now proceeding between United Kingdom and United States Governments. Failing further instructions, however, you should present this note at same time as United Kingdom and United States notes.

2. While information from London indicates recognition might take place on October 23rd word just received from Washington implies that action is more probable towards end of next week.

3. We are considering terms of public announcement here.[32]

4. Please acknowledge receipt of this telegram.

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[30]Voir le document 215.
See Document 215.

[31]Représentant des États-Unis en France avec rang personnel d'ambassadeur.
Representative of United States in France with personal rank of Ambassador.

[32]Un communiqué de presse fut émis le 23 octobre.
A press release was issued on October 23.

215. DEA/1-As-5

Le secrétaire d'État aux Affaires extérieures au représentant en France

Secretary of State for External Affairs to Representative in France

TELEGRAM 202 Ottawa, October 20, 1944

MOST IMMEDIATE. TOP SECRET. My immediately preceding telegram. Following is text of communication mentioned therein:

The Government of Canada has heard with gratification of the agreement reached between the Supreme Allied Commander and the French authorities for the transfer to the French administration of full responsibility for the government of the larger part of France, including Paris.

The Government of Canada is happy to take advantage of this occasion to extend recognition to the French administration as the Provisional Government of France. As an immediate step towards placing the relationship between Canada and France on a more regular footing, the Government of Canada desires to accredit its Representative in Paris as Ambassador Extraordinary and Plenipotentiary of Canada to the Provisional Government of France, and would be glad to learn whether Major General Vanier is acceptable to the Provisional Government in that capacity.

216. DEA/1-As-5

Le représentant en France au secrétaire d'État aux Affaires extérieures

Representative in France to Secretary of State for External Affairs

TELEGRAM 373 Paris, October 23, 1944

MOST IMMEDIATE. TOP SECRET. At five o'clock this afternoon Paris time, the representatives of the United Kingdom, United States, Soviet Union and Canada were received by the French Minister for Foreign Affairs. They presented separate notes of recognition of the Provisional Government of France and asked for agrément as Ambassadors of present representatives. Agrément was granted at once. Further details of ceremony in immediately following telegram.'

VANIER

217. DEA/1-As

Le représentant en France au secrétaire d'État aux Affaires extérieures

Representative in France to Secretary of State for External Affairs

TELEGRAM 387 Paris, October 26, 1944

IMMEDIATE. TOP SECRET. The Minister for Foreign Affairs asked me to call yesterday afternoon, at the same time handed me a reply to our unified recognition of the Provisional Government of France. As our notes, as well as the Provisional Government's reply, have been published by French authorities, I am sending the text of the reply en clair in my immediately following telegram. The Minister informed me, confidentially and privately, that General de Gaulle had expressed surprise and concern as to the wording of one part of our note, as well as that of the United States. The wording to which the General took exception was "the transfer to the French administration of full responsibility for the Government of the larger part of France, including Paris." His contention is that from the very moment of its arrival in Metropolitan France the Provisional Government exercised full sovereignty over liberated territory and that there could be no question in the meantime of the responsibility for Government. This is the idea which the Minister for Foreign Affairs brings out in the paragraph of his letter which begins "The Provisional Government which from the very moment of its arrival on Metropolitan territory of, etc." The Minister for Foreign Affairs said that with some difficulty he had persuaded the General to renounce any veiled allusion to the (word omitted) paragraph.

The United Kingdom note, which was more acceptable, did not speak of the transfer of responsibility for the Government but of a transfer of a forward zone to an interior zone. The Soviet note referred simply to the setting up of an interior zone, including Paris, but made no mention of a transfer.

VANIER

218. DEA/1-As

Le secrétaire d'État aux Affaires extérieures au représentant en France

Secretary of State for External Affairs to Representative in France

TOP SECRET Ottawa, October 28, 1944

Dear General Vanier,

We were surprised to learn from your telegram No. 387, of October 26, that General de Gaulle had expressed concern over the wording of part of our note concerning the recognition of the Provisional Government, and that the language used in the note from the United Kingdom Government was

considered more acceptable. We received from London, on October 20, their draft communication with a suggestion that we should approach the French in similar terms. The following paragraph contains the passage in question from the United Kingdom draft of October 20:

"The Supreme Allied Commander has announced that he has reached agreement with competent French authorities regarding transfer of larger part of France, including Paris, from a forward to an interior zone, as defined in memorandum No. 1 of Civil Affairs Agreement of August 25th last. The means that the conduct of the administration of the area of France in question, and responsibility therefore, is now entirely a matter for central French authority which thus effectively exercises all the powers of Government in that area."

We considered that this constituted an unsuitable wording for us to employ and that it was also somewhat grudging in tone, and when we despatched our instructions to you we used the substance of the British draft but changed it both so as to conform to our position and so as to sound somewhat more cordial. We communicated our instructions to you in advance both to the Foreign Office and the State Department and we did not receive any comment in reply. We also did not receive the text prepared in the State Department, and we assumed that the British note went forward in its original form.

Unless they changed the wording of their note I fail to see how it could be regarded as more acceptable than our own. We have not received the text of it or of the United States note as they were presented on October 23.

I do not enter into the substance of General de Gaulle's complaint which frankly strikes me as far fetched. We certainly never intended to suggest that the Supreme Allied Commander exercised any sovereignty in France, but it was a fact that he did exercise in parts at least, of the liberated territory, a temporary responsibility for administration.

This is only for your information. It is not desired that you should pursue the matter any further with the French authorities.

Yours sincerely,

W. L. MACKENZIE KING

SECTION C

ENTRÉE DE L'UNION SOVIÉTIQUE DANS LA GUERRE AVEC LE JAPON
ENTRY OF THE SOVIET UNION INTO WAR WITH JAPAN

219. DEA/2-Ts

Le secrétaire d'État aux Affaires extérieures au secrétaire d'État par intérim aux Affaires extérieures

Secretary of State for External Affairs to Acting Secretary of State for External Affairs

TELEGRAM H-360 San Francisco, June 26, 1945

TOP SECRET AND PERSONAL. Reference your telegram D-385.[†] Prime Minister would be grateful if you could transmit the following top secret and personal message from him to the Prime Minister of the United Kingdom. Begins:

1. Our Ambassador to China has been informed by Chinese source that the Soviet Government, through its Embassy in Chungking, has communicated to the Chinese Government certain conditions to be accepted prior to Soviet entry into the Pacific war. It is reported that Soviet terms assume that Mongolia is already separated from China, and include among their desiderata:

(a) Kuriles,

(b) South Sakhalin,

(c) Chinese eastern railway including line to Dairen,

(d) Port Arthur and Dairen.

Conditions regarding points (c) and (d) to be negotiated. The Ambassador reports that foregoing information was given him in the hope that it might reach London. I am puzzled at the channel chosen by the Chinese for this communication intended for your information. I know, however, that General Odlum has quite close contact with the Generalissimo. Odlum says that information reported in his telegrams was known only to five persons in Chungking.

2. I gave Halifax, this afternoon, copies of the messages from our Embassy in Chungking summarised in the first paragraph of this message, and it is on his advice that I am sending this report direct to you for what it may be worth.

3. Odlum said that his Chinese source made the comment that Britain might now, with advantage to all Allied Powers, pass from a negative to a positive attitude in the Pacific. The Chinese recognized that this was an American theatre for war operations but thought that in the diplomatic field there were no similar restrictions. The Chinese in the past had been quick to note any omission of reference to the Chinese war effort in your speeches and would welcome renewed evidence of United Kingdom interest.

4. In view of some earlier indications of Chinese nervousness about possible consequences of Soviet participation in Pacific war, I have some hesitation

about transmitting the report contained in this message, but assume you will relate it to information you are receiving from other sources. Ends.

220. DEA/2-Ts

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 147 London, July 5, 1945

IMPORTANT. TOP SECRET AND PERSONAL. Following top secret and personal from the Prime Minister for the Prime Minister, Begins: Your telegram No. 156 of June 27th,[11] Soviet conditions for entry into the war against Japan.

As you will see from my telegram Circular D. 1170,[+] the information obtained by the Canadian Ambassador at Chungking regarding the Soviet conditions for entry into the war against Japan is substantially correct. The Russians are not, however, demanding the actual transfer to them of the Chinese Eastern and South Manchurian Railways and of Dairen as implied by your Ambassador's informant.

2. Your paragraph 3. You will remember Lord Cranborne's statement on January 25th in the House of Lords. It had good publicity in China and I doubt if anything further is called for at present. But we expect T. V. Soong to visit the United Kingdom soon as the guest of His Majesty's Government and that in itself will be a display of interest. Ends.

221. DEA/2-Ts

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 166 Ottawa, July 12, 1945

TOP SECRET AND PERSONAL. Following from the Prime Minister for the Prime Minister, Begins: Your telegram No. 147 of July 5th concerning Soviet conditions for entry into Far Eastern war. I am grateful to you for the information given in this telegram and in telegram Circular D. 1170[+] of the same date. A further report, dated July 8th,[+] has been received from the Canadian Ambassador in Chungking which may perhaps be of some value to you in conjunction with your reports from other sources. The Ambassador states that his forecast of the negotiations with Soong in Moscow was apparently too optimistic since the Russian terms are causing anxiety. He has heard that Russia is not satisfied with full autonomy for Outer Mongolia and leases in Manchuria and is pressing for full sovereignty over territory considered essential for Soviet interests. The report continues that great

[11] Voir le document précédent.
See preceding document.

pressure is being put upon Soong to complete an agreement before your meeting with Stalin and Truman.

2. He comments that the opinion of inner Government circles in China is that only the friendly intervention of Great Britain and the United States can save China from a serious dilemma. If the terms are accepted the prestige of the Chungking Government may be lowered perhaps to the danger point. If they are refused, Russia will go her own way, presumably taking what she wants.

3. You can judge better than I can what degree of authority should be given to this report. Ends.

222. DEA/2-Ts

L'ambassadeur en Chine au secrétaire d'État aux Affaires extérieures

Ambassador in China to Secretary of State for External Affairs

TELEGRAM 178 Chungking, July 14, 1945

TOP SECRET. July 14th. Your telegram No. 151 of July 10th.† Obscurity of language used by Chinese in conveying message to me secretly caused me to apply sovereignty issue to Manchuria whereas, in fact, it is in connection with Mongolia that complete independence is demanded by Russia. Chiang Kai-shek is not yet prepared to go so far. I sounded Hurley[14] out today but either he did not know or would say nothing. Anxiety still continues.

PARTIE 2/PART 2

DIRECTION DE L'EFFORT DE GUERRE ALLIÉ
DIRECTION OF THE ALLIED WAR EFFORT

SECTION A

COMMANDEMENTS EN CHEF ALLIÉS
SUPREME ALLIED COMMANDS

223. J.L.R./Vol. 38

Le Quartier général de la Défense nationale au Quartier général militaire canadien, Londres

National Defence Headquarters to Canadian Military Headquarters, London

TELEGRAM G.S. 69 Ottawa, February 8, 1944

MOST SECRET AND MOST IMMEDIATE. Officer only. Stuart from Murchie.

[14] Ambassadeur des États-Unis en Chine.
Ambassador of United States in China.

Considered possible that questions may be raised in House regarding system which has been adopted to maintain continuity of planning since McNaughton vacated the appointment of Army Com[mander].

In order to reply to such questions information requested most immediate outlining system adopted and showing what senior officers have attended conferences or have been in contact with the planning section.

We have certain indications in cables that this contact is being well maintained but would appreciate confirmation.

J. C. MURCHIE
Major-General,
for C.G.S.

224. J.L.R./Vol. 38

Le Quartier général militaire canadien, Londres,
au Quartier général de la Défense nationale

Canadian Military Headquarters, London,
to National Defence Headquarters

TELEGRAM G.S. 410 London, February 9, 1944

MOST SECRET AND MOST IMMEDIATE. Officer only. No circulation. Murchie from Stuart. Your G.S. 69.

1. Continuity of planning has not been affected in slightest degree. Planning on high level has not been called for yet on account of role of First Canadian Army being follow up rather than leading army. Above type of planning will not in our case begin for another six weeks. No information other than in first sentence should be given out. Information called for in your para[graph] two should not in my opinion be divulged.

2. Operational planning on lower level to extent possible under conditions indicated in para[graph] one has been continued by planning section of Army Headquarters working in London. Organizational planning has been continued by planning section of C.M.H.Q.

3. Brooke, Eisenhower and Montgomery all completely satisfied with present set-up.

225. W.L.M.K./Vol. 371

Le ministre de la Défense nationale au chef d'état-major, Quartier général militaire canadien, Londres

Minister of National Defence to Chief of Staff, Canadian Military Headquarters, London

Ottawa, February 13, 1944

Dear General Stuart,

In the midst of all your activities and the extra thought and supervision called for by the major changes being made, I hesitate to divert your attention even for a moment, but there are reasons and good ones I think why I should like to ask you to be particularly careful regarding our relations constitutionally with the United Kingdom, and particularly as they affect the Army.

The Air Force are just now engaged in some straight from the shoulder discussions regarding Canadian control[35], and I think it will emerge that there will be a marked improvement Canadian-wise in that respect. Endeavour is going to be made to establish a situation that the R.C.A.F. will have something more definite to say as to the employment of Canadians, so as to make sure that there can be no possibility of R.C.A.F. being detailed for more than their share of operational sorties, and that Canadian rules about commissioning, etc. are to prevail.

The Army position has been that we put our troops "in combination" with others, and the rule set out in the Visiting Forces Act about the Senior Officer taking command applies. Canada's ultimate rights and responsibilities are exercised however by (a) withdrawing from combination, or (b) direct reference by the Commander of the Canadian Forces to the Government in respect of any operation of which he does not approve. These are cumbersome procedures and are embarrassing to exercise, but they of course are incidents to Canada's autonomous status and her control over her own troops.

I and others have been thinking that it would be a very much better working arrangement if there could be established a procedure whereby Canada would be "in on" the planning at a high level. Then our Commander would know well ahead what is in mind as to the tactical disposition of our troops and would be prepared to be in a position to offer his opinion early and not be faced with a completed plan to which he had not been a party, and with the heavy responsibility of having to question, or in the ultimate analysis reject, that plan so far as it affects Canada. This would involve, (a) irritation and misunderstanding, (b) complete revamping of plans, or (c) the withdrawal of Canada's participation at a time, so late as perhaps to prejudice and possibly endanger the whole operation.

It may be said that the Canadian component is only a small part of the Force, or that if that right were granted to Canada other Dominions would

[35]Voir le document 295.
See Document 295.

claim the same right, but on the first point the Canadian component is just as important to Canada as the United States component is to the United States, and the latter are "in on" the plans from the very beginning, and Canada constitutionally is just as sovereign in respect to her own forces as is the United States. On the second point, as a matter of fact there are no other Dominions interested and that situation therefore does not arise.

You will understand that I am not talking about strategic direction of the war. I am talking about the tactical dispositions to carry out that strategy.

I know that McNaughton had Turner[36] at COSSAC,[37] but I cannot believe that he did anything more than simply carry back to McNaughton what was going on and I question whether his position there was regarded as one of right. It would rather seem to me he was simply being granted the courtesy of liaison.

I know that the Government feels strongly about this, and I think with you there it can be put on a sound and workable basis.

I know that General Montgomery in Italy gave special consideration to New Zealand. He treated General Freyberg[38] as a Corps Commander and Freyberg had direct access to Montgomery and didn't have to go through the Corps, even though Freyberg had what was in effect only a large division, not a corps.

I mention this to indicate that when the question is raised in the proper way, those in authority are ready to accede to produce a working arrangement.

The other point, and it has to do with the same thing, is the matter of appointments. I liked your para. 1 of your G.S.399.[39] It was not Montgomery's recommendation, or Dempsey's[40] recommendation. It was *your* recommendation, and the fact that it was in accordance with the views of Montgomery and Dempsey simply indicated that these appointments would be well received by those with whom we are working.

I think it is highly proper that you should and that we should consult Montgomery and Dempsey and Brooke, and the rest who have official positions in the Force in which our Army is to work, but in the last analysis the recommendation and the decision is a Canadian one, based on all the information we can get from those who are qualified to speak. I know that this is your view, but I underline it, as it supports I think the desirability of ensuring that autonomy farther by any connection with plans.

The criticism here will be that the Canadian Army reduced in England by the sending of the Corps to Italy, there will be less likelihood of our being able to maintain our position, or to put it the other way, more likelihood of our Allies, unconsciously perhaps, assuming that they have more control over, and

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[36]Officier de liaison canadien.
Canadian Liaison Officer.

[37]Chief of Staff to the Supreme Allied Commander.

[38]Officier général commandant des forces de la Nouvelle-Zélande.
General Officer Commanding New Zealand Forces.

[39]Non trouvé.
Not located.

[40]Commandant, la deuxième Armée britannique.
Commander, Second British Army.

more to say about, the Canadian component in the cross-Channel Force. We want to make it clear that our position in that respect has not changed in any way.

This is a matter for Massey as well as for you, but I am writing you because I have an opportunity to send it off tomorrow, so that you will be guided by it and do what is possible on the Service level to see that the arrangements carry out the principle.

With my kindest personal regards,

J. L. RALSTON

226. W.L.M.K./Vol. 371

Extraits d'un télégramme du Quartier général militaire canadien, Londres, au Quartier général de la Défense nationale

Extracts from Telegram from Canadian Military Headquarters, London, to National Defence Headquarters

TELEGRAM G.S. 518 London, February 18, 1944

MOST SECRET. IMPORTANT. Officer only. Ralston from Stuart. No Circulation. Part one.

1. In reply to your two letters of the 13th Feb[ruary][41] delivered to me today by Lett.[42]

. . .

4. Thank you for your second letter on the constitutional issue. Frankly I do not believe it is an issue in the case of the Army. Both the War Office and Montgomery have told me specifically that they fully recognize the special position of the Canadians. I am confident that we are amply covered by the accepted right to withdraw from combination and the accepted right of appeal. In Crerar and Simonds we shall have two very strong characters and two field commanders in whose judgement I have the greatest confidence. Neither will commit their command to an operation unless the plan has a reasonable prospect of success with the resources available. In conversation with Simonds recently, he told me that he had objected strenuously to the original plan for the crossing of the straits of Messina. The plan was changed to accord with his proposals. The real solution to this problem is to get the right commanders. I consider that we now have them.

5. Re para[graph] five of your longer letter. There are two aspects of planning involved. The first concerns planning in the field after an operation has been launched. I think I have covered this in para[graph] four above. We must rely upon our own commanders. (Part Three follows.)

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[41] Seulement une des lettres, le document précédent, est reproduite.
Only one of the letters, the previous document, is reproduced.

[42] Commandant, quatrième brigade d'infanterie.
Commander, Fourth Infantry Brigade.

This message in three parts. Herewith Part Three and last part.

I cannot see any possibility of initiating in the field any such procedure as you suggest without the most unfortunate consequences. It would be a retrograde step just at the time when U.S. and British formations are operating under one another's commanders without any strings attached.

It would imply a lack of confidence which would be an unreality as far as the Canadian Army is concerned. The Army here has complete confidence in Montgomery's ability to plan and conduct a campaign successfully. Moreover, Montgomery will not play unless all his commanders have complete confidence in him. He would look upon the proposal you suggest as being expressive of a lack of confidence in himself. The result would be that either Montgomery or the Canadians would have to leave 21 Army Group. Surely the raising of an alleged constitutional issue which in reality is not an issue at all as far as the Army is concerned is not worth such a price. The second aspect concerns the initial stage of planning before the operation is launched. There is a great deal more time for planning in the initial stage and consequently there is ample opportunity to discuss the general and detailed plan on high level. The objections to your proposal also apply in similar degree to this stage of planning. In any case the general plan we are interested in has now been made and there will be no more such plans for some months to come, not in fact until Germany has been beaten.

I can assure you that I shall keep a very careful watch on constitutional relationship with the U.K. in so far as the Army is concerned. I do suggest however at a time such as the present when everybody in the British Army over here are putting everything they have got into preparations for the vital assault on the continent that we abstain from raising the constitutional issue in army relationships until there is cause to do so.

I maintain that such cause does not exist at the moment so far as the Army is concerned.

227. J.L.R./Vol. 38

Le Quartier général de la Défense nationale au Quartier général militaire canadien, Londres

National Defence Headquarters to Canadian Military Headquarters, London

TELEGRAM G.S. 2442 Ottawa, February 21, 1944

MOST IMMEDIATE. MOST SECRET. Officer only. For Stuart from Ralston. Your G.S. 518.

1. Thanks for your very full comments.

2. It would help greatly if we could know just what access we have and what consultation there is with us and what means are taken to keep us informed regarding tactical plans particularly in what you refer to as the second aspect which concerns the initial stage of planning before the operation is launched.

3. It was this to which I referred in my G.S. 69 and to which I noted your general reply in G.S. 410. In that cable, you mention that planning on high level would not begin for another six weeks. I assume this means tactical planning and my query is how far we will be in on that.

4. I note from your G.S. 518 that there is quote ample opportunity to discuss the general and detailed plan on a high level unquote. I would have thought that this opportunity was the consultation which I was reaching for in my letter of February thirteenth but you evidently think that it does not go as far as my proposal. What is the difference? Is it that the opportunity is not available as of right but rather by courtesy or are there other differences between what you indicate and what I suggested.

5. Like you, I am looking forward to the time when the Army Commander and Chief of Staff will be submitting to the Canadian Government reports regarding the feasibility of the operation proposed similar to McNaughton's report on Sicily.† It would be useful if we could know to what extent the Army Commander or the Chief of Staff has had an opportunity to consider and comment on the tactical plans which Canadians are expected to carry out before they are finalized so as to influence the tactical dispositions and the support and supply arrangements insofar as they affect Canadian participation and ensure reasonable prospects of success.

6. I am sure that I am the last one to raise an abstract question. The reason for it is the necessity for being in a position to assure Canadian homes that Canadian Staff and Commanders are assured of timely opportunity to get all the information they need so as to be in a position to exercise their judgment for the benefit of the Canadian troops for whom they are responsible to Canada.

7. You will find similar question discussed in extracts from memo by Crerar dated July 4, 1942† as appear in Stacey's report on JUBILEE Part I.[41]

8. Regarding the first aspect mentioned in your G.S. 518, namely planning in the field after the operation has been launched, I can quite see that the opportunity for consultation and discussion of the plans with those who are formulating them will on account of time and space be more limited, but the principle would be the same.

9. Regarding both the first and second aspects, I agree thoroughly that we have to and do rely on our commanders and on their judgment and efficiency. My query is what is the extent of the opportunity which these commanders have to get information and to bring that judgment and efficiency to bear on plans for the employment of the Canadian Army and on the execution of these plans.

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[41] Rapport du colonel C. P. Stacey, historien, quartier général militaire canadien, Londres, sur l'opération Jubilee, le raid sur Dieppe.
Report by Colonel C. P. Stacey, Historical Officer, Canadian Military Headquarters, London, on Operation Jubilee, the Dieppe raid.

228. J.L.R./Vol. 38

Le Quartier général militaire canadien, Londres, au Quartier général de la Défense nationale

Canadian Military Headquarters, London, to National Defence Headquarters

TELEGRAM G.S. 588 London, February 24, 1944

MOST SECRET AND IMPORTANT. Ralston from Stuart. No circulation. Officer only. Your G.S. 2442.

1. I think perhaps we are finding it a bit difficult to understand one another because of our different conception of how planning is actually carried out. In respect to OVERLORD, the key or basic Army plan is prepared by Montgomery in close association with his opposite numbers in Air Force and Navy. Eisenhower coordinates the three service plans and approves them. They are finally approved by Combined Chiefs of Staff. Montgomery then sees his army commanders and indicates to each the task of 21 Army Group as a whole and the task of each Army. He indicates the formations and units and administrative establishments alloted to 21 Army Group and to each Army and the general support each will receive from the other two services. Each Army Commander then begins his own planning in conjunction with the commanders of the Air Force and Navy who are going to work with and support him during the operation. As a result of this tactical and administrative planning, each Army Commander makes a plan that in his opinion will work and will assure a successful accomplishment of the task assigned to his Army. In the process, the Army Commander and his planners on their respective levels will have constant contact with the Commander and staff of 21 Army Group. These contacts will result in many changes of major and minor degree which become apparent as detailed planning progresses. The Army Commander will be anxious to get his Corps and Division planners to work, therefore he will first complete his own outline or key plan and have it approved by 21 Army Group. Completion of this plan will enable him to outline tasks to Corps Commanders and so get all planners working as early as possible. I outline this procedure to you to show that planning on Army level presents both time and opportunity for careful study and for the request of such additional facilities or resources as in the opinion of the Army Commander are required for the successful accomplishment of his assigned task.

2. In the case of a field operation as opposed to an amphibious operation the procedure is similar but the time element differs. In the field, the operations are less complicated and therefore less time is required. You can be assured however with Montgomery in command, there will always be ample time for planning and adequate preparation. He fights his battles to win and he knows that he cannot win unless his battles are carefully planned and prepared down to the last detail.

3. Your paragraph two. I am in the picture in regard to 21 Army Group key plan as are my two principal staff officers at Army. A degree of administrative

operational planning is now proceeding. Tactical operational planning cannot begin in the case of Canadian Army because no role allotted to it until plans of other Armies are complete. This will still give us ample time to complete all necessary planning. The situation we find ourselves in is such that tactical planning for the operation will be done by the man who will be in command of the operation namely Crerar. This I consider to be of paramount importance. What I have said above and in paragraph one answers your paragraph two.

4. Your paragraph three. I meant that Canadian Army planning would not begin for another six weeks. My paragraph one answers this question.

5. Your paragraph four. I think my paragraph one explains. My interpretation of your proposal was that you sought Canadian representation in the formulation of the original 21 Army Group plan. This we simply cannot expect either as a right or by courtesy. We have every right to expect however that we can have the plan altered as it affects Canadian Army if our detailed Army planning indicates sound reasons why it should be changed.

6. Your paragraph five. I think my paragraph one explains. The Canadian Army has been given a task and 21 Army Group will allot to it such additional formations, units and establishments as in their view after a general rather than a detailed examination will be required to achieve success. The purpose of our own Army planning is to provide the detailed examination and to recommend such changes as appear necessary resulting from this detailed examination. I can assure you that in due course the Army Commander will transmit his views to the Canadian Government as to the feasibility or otherwise of the part to be played by Canadian troops in the forthcoming operation.

7. Your paragraph six. You need have no worries regarding the point raised in this paragraph in respect to the forthcoming operation. I also refer you to my paragraph two.

8. Your paragraph eight. I agree and also refer you to my paragraph two.

9. Your paragraph nine. I think I have already answered this.

229. DEA/22-Ns

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

TOP SECRET Ottawa, March 1, 1944

1. In view of the early approach of major operations in which the Canadian Army will take part, you may wish to consider with the Defence Ministers and with War Committee some aspects of the association of the Canadian armed forces with those of our Allies, which are not as clear-cut or well defined as they might be. I think something could be done to clarify the formal character of the relationship of the Canadian armed forces to our Allies, without limiting

or impairing the effectiveness of our military contribution to the winning of the war.

2. There are two distinct, though related, aspects of this relationship which might be looked at separately. One is the problem of command. The fact that the Canadian Army is one of a number of armies making up a United Kingdom Army Group under the command of a General designated by the United Kingdom Government gives the United Kingdom High Command a special and legitimate interest in the fitness of the Canadian Army Commander. It was clearly necessary for the Minister to consult the General, who had been in command of the United Kingdom Army Group of which the Canadian Army formed part, as well as the Chief of the Imperial General Staff about the effectiveness of the Commander of the Canadian Army and about the suitability of possible successors. It is difficult, however, to define the scope of such consultations or to determine how decisions should be arrived at when there is difference of opinion between the competent United Kingdom authorities and the Minister's own military advisers. It might happen that the Commander of the Canadian Army had the full confidence of the Canadian Government, while he did not have the similar confidence of the military authorities with whom he would be associated in operations. Such a situation could probably only be settled by inter-governmental consultation and not within the framework of a military relationship in which the Commander of the Canadian Army was technically subordinate to the Commander of the United Kingdom Army Group and to the Chief of the Imperial General Staff. The position disclosed by General McNaughton's retirement was simpler because the Minister's Canadian advisers and the United Kingdom authorities whom he consulted were of one mind on the question. The necessary action was taken by the Canadian authorities on their own responsibility, but it originated in views expressed by the United Kingdom military authorities, and may leave the impression in some minds that the selection of the Commander of the Canadian Army is subject to the approval or veto of the United Kingdom War Office.

3. The contrast between the steps leading up to General McNaughton's retirement and those that led to the appointment of General Montgomery is instructive. In the first case, there was the fullest and most receptive consultation of competent United Kingdom opinion by the responsible Canadian authorities. In the second case, which involved the choice of the Commander of the group of armies of which the Canadian Army is to form part, there was, so far as I know, no consultation of the Canadian Government to ascertain whether or not the proposed Commander would be acceptable to it. When it came to choosing the Supreme Allied Commander for the Northwest European theatre and the officers under him who were to direct the land, air and naval operations in which the Canadian forces were to participate, it does not appear to have occurred to Churchill or Roosevelt that this country might have expected to be consulted about the constitution of the command under which its troops were to serve. In fact, as far as our records show, Canada was not only not consulted in any way about the selection and organization of the

Invasion Command, but has not yet been officially advised, apart from press announcements, of the appointments of the officers under whom our troops will operate. If my memory is correct, the designation of the Supreme Allied Command in the Southwest Pacific was formally agreed between the Governments of the United States, Australia and New Zealand, and the forces of the latter countries were placed under General MacArthur's command by a formal directive of their Governments.

4. What we must try to find is some formula of consultation in respect of command and the planning of operations which takes into account the dual character and role of the Canadian Army, i.e., its position for operational purposes as one of the constituent parts of a United Kingdom Army Group and the fact that it is at the same time the Canadian Army and not, for all purposes, identical and interchangeable with other British Armies with which it may be put into combination. It is true that in putting the Canadian Army into combination with the United Kingdom forces the Canadian Government reserves the right to withdraw it from combination. This right, however important in the last analysis, is a very difficult and dangerous power to use to control the working relationship of the Canadian Army with the other armies by whose side it must fight. The ultimate sanction of "withdrawal" seems to the layman to be a very rigid and legalistic instrument of control which does not take into account the political factors which must affect this relationship. Instead of relying, for the final protection of Canadian interests, on the right of withdrawal, which is something like the right to make a separate peace, it might be better to establish definite areas within which decisions should be taken in consultation between the United Kingdom and Canadian authorities, just as there are wide and well defined areas in the larger conduct of the war in which decisions can only be taken after consultation between the United Kingdom and United States military authorities.

5. One of these areas might include the selection of senior commanding officers, i.e., our obligation to consult the United Kingdom military authorities before making changes in the higher command of the Canadian Army could be matched by a similar obligation on their part to consult us about the nomination of commanders under whose direction the Canadian Army would serve. To the extent that Canadian forces were serving under orders of United States Commanders the same considerations would argue *mutatis mutandis*, for a similar measure of consultation with the United States military authorities.

6. Underlying these questions is, of course, the old question of the relationship of Canada to the supreme direction of the war. You have frequently, in public and private, recognized the special role which Churchill and Roosevelt must fill. I do not think there is any disposition in any quarter to question the position they have taken in the supreme direction of the western war. The Combined organizations which they have created for the conduct of the war are, in essence, an emanation of their joint, personal direction of the war. We have, however, found it necessary and desirable to define the relationship of Canada to these Combined agencies operating in the economic field, e.g., the

Combined Food Board, the Combined Raw Materials Board and the Combined Production and Resources Board. We have never, however, worked out any formal relationship to the Combined organization on the strategic side. We tackled one phase of this problem, that relating to the composition and powers of the Combined Munitions Assignment Board, some eighteen months ago, and came within range of reaching what might have been a satisfactory relationship to it. Differences of views between our own Ministers prevented this relationship from ever being formalized. We have, however, a certain contact with the Combined Chiefs of Staff Committee in Washington through the presence there of our Joint Staff Mission, which may be regarded as "accredited", in a more or less diplomatic sense, to the Combined Chiefs of Staff.

7. To straighten out this situation you might consider formally delegating to the Combined Chiefs of Staff those duties and powers in respect of Canadian forces which they have, in fact, been exercising without ever having received any formal assignment of these duties and powers from the Government of Canada. Such a delegation would, I think, regularize and strengthen the position of our Joint Staff Mission in Washington and prepare the way for the establishment of a similar Joint Staff Mission in the United Kingdom which might be "accredited" to the Combined Allied Command, of which General Eisenhower is head. In this way, it might be possible to work out a feasible method of associating Canada with the planning and direction of operations in the success of which this country is vitally concerned and in which Canadian armed forces will play a not inconsiderable part. Use of a Joint Staff Mission for purposes of top level liaison would avoid some of the practical difficulties referred to above in speaking of the anomalous position of the Canadian Army and make unnecessary the sort of irregular personal liaison between the Commander of the Canadian Army and Cossac, which General McNaughton attempted to establish. The fact that the three former Chiefs of Staff of the Canadian Services are now in the United Kingdom, gives us an opportunity of setting up a strong Joint Staff Mission, dissociated from the operational control of the Canadian formations fighting in combination with United Kingdom forces, and at the same time capable of ensuring suitable Canadian association at a high level with the strategic conduct of the invasion operations.

230. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, March 1, 1944

. . .

FORMAL RELATIONSHIP OF CANADIAN FORCES TO FORCES OF OTHER UNITED NATIONS; COMMAND; PLANNING

15. THE PRIME MINISTER expressed the opinion that the formal relationship of Canadian forces overseas to those of other United Nations should be reviewed at this time with particular reference to impending large scale operations in which the Canadians would participate in large numbers. In this connection, the Minister of National Defence had shown him messages recently exchanged with the acting General Officer Commanding in Chief, First Canadian Army, with respect to Canadian participation in the preparation of strategic and tactical planning.

Two principal questions were involved: that of consultation and concurrence in the appointment of the high command, and that of Canadian participation in the preparation of plans.

With regard to command, it would be recalled that Australia and New Zealand had been consulted and had actually participated in the designation of General MacArthur as Supreme Allied Commander in the Southwest Pacific. Their forces had been placed under General MacArthur's command by formal directives of the two governments. On the other hand, the Canadian government had not even been informed officially of the appointment of the Allied Commanders in European theatres, although substantial Canadian forces were serving under them. This situation should be rectified by some formal action on the part of the Canadian government.

As to the planning of operations in which Canadian forces were to be engaged, it was not clear to what extent Canadian Commanders participated or had the opportunity of adequate consultation. In Britain, the Canadian Army, for operational purposes, formed part of a U.K. Army Group; at the same time it was not in the same position as other British Armies. The Canadian Government retained the right of withdrawal from the "combination", but this was a right which could only be exercised in extreme circumstances for the protection of Canadian interests. Would it not be possible to make some formal provision for regular consultation with Canadian military authorities in relation to strategic planning wherever substantial Canadian forces were to be employed?

In order to meet these important needs and to provide for improved and continuous consultation between Canadian military authorities and the United Nations High Command, advantage might be taken of the presence in the United Kingdom of the three former Chiefs of Staff, who might be constituted a Canadian Joint Staff similar in function to the Canadian Joint Staff, Washington.

16. THE SECRETARY pointed out that this same problem had been before the War Committee almost a year ago. At the meeting of March 23rd, 1943, consideration had been given to a recommendation of General McNaughton that he be authorized to explore the establishment of a more formal link with the U.K. Chiefs of Staff in order that, as Commander of the Canadian Army,

he could be assured of knowing, in advance, of plans under consideration affecting Canadian forces.

At that time, the Minister of National Defence, in agreeing with the Army Commander, had expressed the opinion that the Canadian Command should also have the right of initiating proposals with the U.K. Chiefs of Staff, and that the Canadian government should not confine their function to the mere receipt and approval of reports affecting the Canadian Army.

The War Committee had then agreed that General McNaughton should proceed in the manner recommended, and the principles and procedure to govern in connection with plans for the employment of the Canadian Army had been approved. However, no report had been received from General McNaughton as to the implementing of the decision which had been taken.

(Minutes, Mar. 23, 1943, paras 7 to 12).†

17. THE MINISTER OF NATIONAL DEFENCE FOR AIR observed that, in European operations, the R.C.A.F. were under the strategic direction and tactical command of the R.A.F. There existed a limited practice of consultation with the Canadian government with regard to the movement of R.C.A.F. squadrons to theatres outside of the United Kingdom.

The problems raised by the Prime Minister were particularly important in relation to Canadian participation in the war against Japan. In this connection, the Air Officer Commanding, R.C.A.F. Overseas, had received an enquiry from the U.K. Air Ministry as to the number of squadrons to be provided by Canada.

The suggestion to establish a Canadian Joint Staff in London, who could be consulted on such matters and advise the government, was worthy of exploration.

18. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES agreed that the machinery for consultation with the High Command upon plans affecting Canadian forces should be improved. This was important in planning the parts to be played by the three Services, in future operations.

19. THE MINISTER OF NATIONAL DEFENCE observed that the right of the government to appoint the commander of the Canadian Army was clearly established;[44] furthermore, the government had been fully consulted and had

[44]La note suivante était dans l'original:

The following note was in the original:

In this connection, the Minister stated that, as it appeared that the First Canadian Army might contain British formations, he considered it desirable to avoid any implication that the appointment of the commanding officer could be made otherwise than by the Canadian government; in view of the British component, it seemed to him only proper, however, that the appointment should be made after consultation with the United Kingdom. Accordingly, he had suggested the insertion of a clause, in correspondence with the War Office, to the effect that the Commander of the First Canadian Army should be appointed by the Canadian government, after consultation with the U.K. government.

(Letters, Assistant Under-Secretary of State for War to Senior Officer, C.M.H.Q., Jan. 4, 1944† and reply to Under-Secretary of State for War, Jan. 6, 1944†).

agreed as to the employment of the First Canadian Army in the 21st British Army Group.

With regard to Canadian participation in planning, General Stuart had reported as follows: the original plan for the employment of the Army Group was formulated by the Group Commander, General Montgomery, co-ordinated with plans for the employment of the Air Force and the Navy by the Allied Commander in Chief, and finally approved by the Combined Chiefs of Staff. Canadian Army authorities could not expect to participate in the formulation of these plans, either by right or by courtesy. Once the general scheme had been approved, however, plans for carrying out the specific role of the Canadian Army would be worked out by the Canadian Army Commander and his Staff, who would consult with the Group Commander and who could expect to have the plan altered as it affected the Canadian Army, if they adduced sound reasons for so doing.

(Telegram No. G.S.-588, Minister of National Defence from G.O.C. in Chief, First Canadian Army, Feb. 24, 1944).

20. MR. RALSTON pointed out that the position of Canadian overseas forces rested ultimately upon the Canadian Commander's established right of direct appeal to the Canadian government as to the employment of Canadian forces, and the right of the government to withdraw Canadian forces from operations.

21. THE WAR COMMITTEE, after further discussion, agreed that the Under-Secretary of State for External Affairs and the Secretary, in consultation with the Chiefs of Staff, examine the questions raised by the Prime Minister regarding the relationship of Canadian forces to those of other United Nations and prepare a report and recommendation for consideration, for the establishment of improved machinery for consultation and participation in matters of command and planning, where Canadian forces are employed.

. . .

231. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, March 8, 1944

. . .

FORMAL RELATIONSHIP OF CANADIAN FORCES TO THOSE OF OTHER UNITED NATIONS; COMMAND; PLANNING

10. The Secretary, referring to the discussion at the meeting of March 1st, submitted a draft message prepared by the Under-Secretary of State for External Affairs and himself, in consultation with the Chiefs of Staff, and proposed for simultaneous despatch to the Prime Minister of the United Kingdom and the President of the United States.

The draft message was to the following effect:

It was the understanding of the Canadian government that, in setting up the Allied Supreme Commands, Mr. Churchill and President Roosevelt had been acting on behalf of those United Nations whose forces were involved. The Canadian government felt that, so far as Canadian forces were affected, formal approval should now be transmitted for the establishment of the Supreme Headquarters Allied Expeditionary Force and the corresponding headquarters in the Mediterranean. Accordingly, it was requested that the Commanders-in-Chief be informed that authority over Canadian forces under their command derived from the government of Canada.

The Canadian government also felt that it should be made clear that General Wilson and General Eisenhower were the Commanders-in-Chief of the participating forces of the United Nations. This would increase their effectiveness to a substantial degree.

It was desirable that the Canadian Chiefs of Staff and the Canadian government be fully informed in respect of arrangements involving participation of substantial Canadian forces. Accordingly, the government had in mind the establishment of a Joint Staff Mission in London, to act as an appropriate channel of communication between the Canadian Chiefs of Staff and the Supreme Commands in Britain and in the Mediterranean.

It was also desirable to arrange for the employment, to an increasing degree, of trained and experienced Canadian officers in the combined organizations.

(Draft message to U.K. Prime Minister and U.S. President, Mar. 8, 1944).[+]

11. MR. HEENEY also submitted an additional message for despatch to the Prime Minister of the United Kingdom. This draft had also been prepared by Mr. Robertson and himself, in consultation with the Chiefs of Staff.

The second message was to the following effect:

Arrangements between the governments of Canada and the United Kingdom regarding command had been based upon the assumption that the armed forces of the two countries would work together in major military formations and that Canadian forces would normally be operating in combination under U.K. commanders.

The special position of U.K. forces in Canada in relation to Canadian forces had been protected by special arrangements worked out by the Canadian government. No similar arrangements existed in the United Kingdom whereby the special position of the Canadian forces could be taken into account, apart from the power to withdraw from combination and the right of Canadian military commanders of direct reference to the Canadian government. These, however, were not powers to be exercised lightly.

Accordingly, it was desired that the Canadian Staff Mission to be established in Britain should form a link between Canadian authorities and the U.K. Chiefs of Staff so as to ensure the receiving, in advance, of information as to plans involving the use of Canadian forces.

(Draft additional message to U.K. Prime Minister, March 8, 1944).[+]

12. THE WAR COMMITTEE, after considerable discussion and revision of the draft messages submitted, agreed:

(a) that the draft message to the U.K. Prime Minister and the President of the United States be approved as revised, for simultaneous despatch, and that the members designate of the Canadian Joint Staff Mission be informed by their respective Ministers of the action taken;

(b) that the question of providing Canadian staff personnel to Supreme Allied Commands (referred to in paragraph 6 of the above draft message) be taken up independently at a later date; and

(c) that the draft additional message to the U.K. Prime Minister be approved for despatch as revised.

. . .

232. DEA/22-Ns

Procès-verbal d'une réunion

Minutes of a Meeting

MOST SECRET Ottawa, March 10, 1944

REPORT OF MEETING HELD ON WEDNESDAY, MARCH 8TH, FOR PRELIMINARY DISCUSSION ON FORMAL RELATIONSHIP OF CANADIAN FORCES TO THOSE OF OTHER UNITED NATIONS; COMMAND; PLANNING

1. There were present:

Mr. N. A. Robertson (Chairman)—Under-Secretary of State for External Affairs
Mr. A. D. P. Heeney—Secretary, Cabinet War Committee
Mr. H. H. Wrong—Assistant Under-Secretary of State for External Affairs
Air Marshall Leckie—Chief of the Air Staff
Rear Admiral Jones—Chief of the Naval Staff
Major-General Murchie—Vice-Chief of the General Staff
Lieut.-Colonel E. W. T. Gill (Secretary)—Secretary, Chiefs of Staff Committee

2. Mr. Heeney read extracts from the minutes of the Cabinet War Committee meeting in which the concern of that Committee was expressed on the following matters,

(a) Canada had not been consulted with respect to the High Command in Operational Theatres where Canadian Forces were employed.

(b) No channel at present existed through which the Canadian Government could be fully informed with regard to planning and arrangements which involve the participation of substantial Canadian Forces.

3. Mr. Heeney stated that the purpose of the meeting was to examine the proposals contained in two draft messages† which had been prepared on instructions of Cabinet War Committee to record the views of the Canadian Government with respect to the above situation.

4. The first of these messages, intended for dispatch to the Prime Minister of the United Kingdom and the President of the United States, approved on behalf of the Canadian Government, the apppointment of the present Commanders-in-Chief and suggested the establishment of a Joint Staff

Mission in London to act as the appropriate channel of communication between the Canadian Chiefs of Staff and the Supreme Commands which have been set up in England and the Mediterranean area. It also proposed the employment of Canadian Staff Officers on the Combined Staffs.

5. The second message, which was supplementary to the above, was intended for dispatch to the Prime Minister of the United Kingdom and this dealt with those aspects of the problem which concern only United Kingdom and Canada. This message proposed that the Joint Staff Mission should act as a link between Canadian Chiefs of Staff and the British Chiefs of Staff and receive, in advance, information on plans involving the use of substantial Canadian forces.

6. Mr. Robertson stated that it was recognized these proposals were being put forward at a late hour but that it was hoped that they would bring results in connection with the planning for the occupation of Europe and the war against Japan. It was stated further that it was not the intention that they would in any way affect the existing arrangements with respect to Canadian Forces being employed in combination with British Forces under the Visiting Forces Act.

7. Discussion took place on the implications of the proposals and the Chiefs of Staff raised certain questions on the practicability of the plans. The major points were,

(a) Our right to ask British Chiefs of Staff to disclose plans in advance unless there were advantages in [not?] so doing.

(b) Whether or not better results might be achieved through seeking Canadian representation on the Combined Chiefs of Staff, Washington.

(c) The working from a practical standpoint of the proposed Joint Staff Mission, London.

(d) The wisdom of proposing the employment of Canadian Officers on the Combined Staffs.

8. Following discussion, the messages were examined in detail and certain changes agreed upon prior to their submission for Cabinet War Committee approval.

EVAN W. T. GILL

233. DEA/22-Ns

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 34 Ottawa, March 10, 1944

IMPORTANT. MOST SECRET AND PERSONAL. Following for your Prime Minister from the Prime Minister, Begins: The Canadian Government has noted the arrangements which have been made by you and President Roosevelt for the establishment in the United Kingdom of a Supreme Headquarters Allied Expeditionary Force, in order to exercise command over the forces organized for the liberation of the allied countries in Europe and the assault

upon Germany. In this matter it is our understanding that you have been acting on behalf of the United Nations whose forces will be taking part in these operations which involve the Armed Forces of Canada as well as of the other countries concerned.

2. The conduct of operations in Western Europe and in the Mediterranean has been given unified strategic direction, by the President and yourself. Now that further substantial Canadian forces overseas are likely soon to be involved in active operations against the enemy it seems to us necessary to place on record in a formal way, the authority which must emanate from the Canadian Government respecting the participation on a large scale of Canadian Armed Forces under the Supreme Allied Commanders in the various theatres. I should be grateful, therefore, if the Commanders in Chief could be informed that they may be regarded as deriving authority, in so far as Canadian Forces (Navy, Army and Air) under their command are concerned, from the Government of Canada.

3. The establishment of the Supreme Allied Commands brings out the need for closer relationship between the Canadian staffs and the commands as set up. The Government of Canada has in mind the establishment of a Joint Staff Mission in London, which will act as the appropriate channel of communication between the Canadian Chiefs of Staff and the Supreme Commands which have been set up in England and in the Mediterranean. It is contemplated that the Mission will consist of a senior officer from each of the three Services. It is clearly desirable that the Canadian Chiefs of Staff and the Canadian Government should be fully informed with regard to arrangements which involve participation of substantial Canadian Forces. I should be grateful, therefore, if appropriate directions could be issued in order that the necessary relationship may be established with the Canadian Mission.

4. The Canadian Government is of the opinion that it would be desirable that appropriate announcements should be made so as to make it clear that General Wilson and General Eisenhower are the Commanders-in-Chief of the participating forces of the United Nations. We believe that wherever these forces may strike, their effectiveness will be increased to a substantial degree if the command is supported by the authority of the countries to be liberated, whether they be Norway, Holland, France, or Belgium, or countries in the Mediterranean area.

5. I am sending an identical message to President Roosevelt.† Ends.

234. DEA/22-Ns

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 35 Ottawa, March 10, 1944

IMPORTANT. MOST SECRET AND PERSONAL. Following for your Prime Minister from the Prime Minister, Begins: In my communication with regard to the relationship between Canada and the Allied Supreme Command, which

I have sent to you and to the President of the United States of America, I have dealt with those aspects of the problem which are common to the United Kingdom and to the United States of America.

2. There is, however, one part of the question which concerns more particularly the Governments of the United Kingdom and of Canada.

3. You are familiar with the arrangements between the Canadian Government and the Government of the United Kingdom relating to the question of command. We have based our arrangements throughout the war, both in the United Kingdom and in Canada, upon the assumption that it was desirable to place the forces in combination with one another and to have the armed forces of the two countries work together in major military formations.

4. In accordance with these arrangements, Canadian armed forces in the coming operations will normally be operating in combination with larger United Kingdom formations. The relationship arising out of serving together and in combination under the Visiting Forces Acts is one which (with the exceptions mentioned in paragraph 6) places the forces in much the same position as if the combined force had been raised and organized by the one country.

5. You are, of course, familiar with the arrangements under the British Commonwealth Air Training Plan whereby the special position of United Kingdom forces in Canada in relation to Canadian forces has been protected. Under these arrangements, which have worked out so satisfactorily over the past four years, the United Kingdom Government and in fact the Governments of Australia and New Zealand participate substantially in the planning and organization of the combined forces.

6. In the United Kingdom there are no arrangements of a similar character whereby the special position of the Canadian forces can be taken into account. There is, of course, the right of direct reference by the Canadian commander to his own Government and the power to withdraw from combination (but I am sure that you would expect that that power would not lightly be exercised).

7. I think, therefore, that it is essential that we should constitute the Canadian Staff Mission in the United Kingdom as a link between the Canadian Chiefs of Staff and the United Kingdom Chiefs of Staff in London, in the same way as we are proposing to set it up as a link between the Canadian Chiefs of Staff and the Supreme Headquarters Allied Expeditionary Force. In this manner our Canadian Staff Mission would have access to the United Kingdom Chiefs of Staff and would be assured of receiving, in advance, information on proposals and plans involving the use of Canadian forces, not only in current European and Mediterranean operations, but also in such matters as the post-war occupation of the Continent and the war against Japan. Ends.

235. DEA/22-Ns

Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures

High Commissioner of Great Britain to Under-Secretary of State for External Affairs

MOST SECRET AND PERSONAL Ottawa, March 11, 1944

Dear Mr. Robertson,

Following on our conversation yesterday during which you showed me copies of the Canadian Government telegrams Nos. 33 and 34[45] containing messages from the Prime Minister to the Prime Minister, I enclose, for your information, a copy of a message which I sent last night to the Secretary of State for Dominion Affairs.

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

Le haut commissaire de Grande-Bretagne au secrétaire aux commissaire Dominions

High Commissioner of Great Britain to Dominions Secretary

TELEGRAM 769 London, March 10, 1944

MOST SECRET AND PERSONAL. Robertson and Heeney have shown me copies of the Canadian telegrams Nos. 34 and 35 of today's date containing messages from Prime Minister to Prime Minister with amongst other things, proposal to set up a Canadian Staff Mission in the U.K.

2. I understand that this Mission would consist of Lieutenant-General Stewart, Air Marshal Breadner and Vice-Admiral Nelles, all of whom have of course been the Chiefs of their respective service staffs in Ottawa.

3. Robertson and Heeney were anxious to assure me, on behalf of the Canadian Government, that this proposal is made in the most helpful spirit. The Government here realise that the existence of such a Mission could add to the complications which already face the Supreme Allied Commands and our U.K. Chiefs of Staff Committee in London. They are anxious that it should not do this, and believe that the excellent personal relations which the three officers mentioned above have established with the authorities in London will avoid any such result. The three officers will of course wish to be truly cooperative and to cause no difficulties.

4. The Canadian Government feel that the move is necessary primarily for the following reason. There would be criticism in Parliament and elsewhere here if the Canadian Government appeared to have abdicated all responsibility

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[45] En effet, les numéros étaient 34 et 35. Voir les deux document précédents.
In fact, the numbers were 34 and 35. See the two preceding documents.

for the fortunes of the Canadian soldiers, sailors and airmen who are to take part in impending military operations. Moreover, if the Canadian forces were to be employed in a manner which seemed wrong to any important section of opinion here, the blame would be thrown on U.K. and other authorities, if the Canadian Government had not even any theoretical responsibility. The proposal of the Canadian Staff Mission now made provides that the Canadian Government will share responsibility for whatever may happen to Canadian armed forces. They are prepared to shoulder that responsibility, and feel that it will be helpful to U.K. authorities and others if they do so.

5. Canadian Government see other advantages in the proposal, but its main purpose is that stated above.

236. W.L.M.K./Vol. 364

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2179 Washington, April 8, 1944

IMMEDIATE. MOST SECRET. For immediate action. Following for Robertson from Pearson, Begins: The following message has just been received from the White House, Begins:

My dear Ambassador, upon receipt of your communication dated March 13, 1944,† and transmitting a letter from the Prime Minister of Canada in regard to the command of Canadian troops with the Allied Forces overseas,[46] I referred the questions therein contained to the Joint Chiefs of Staff.

The Joint Chiefs of Staff this date have given me the following report with which I am in agreement:

We have examined the message addressed to you on March 10, 1944, by the Canadian Prime Minister, in which he informed you of his Government's consideration of the establishment of a Canadian Joint Staff Mission in London. In the same message he proposed that appropriate formal announcements be made to clarify the command authority exercised by Generals Eisenhower and Wilson over the participating forces of the United Nations.

Although the establishment of a Canadian Joint Staff Mission in London is a question for decision by the Governments of the United Kingdom and Canada, military implications involved make it necessary that, should such a Mission be established, the appropriate channel of communications between the Canadian Chiefs of Staff and the Supreme Commands must be through the Combined Chiefs of Staff and not directly through the Mission, to the Supreme Commands, as proposed by the Canadian Prime Minister.

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[46] Voir le document 233.
See Document 233.

We feel that there is no need from the military standpoint, to make any announcement clarifying command authority since the chain of military command is well established. There is no objection, however, to such an announcement if other than military considerations warrant it. An announcement should make clear that the Supreme Commanders derive their authority from the Governments concerned through the Combined Chiefs of Staff and not directly from the Governments, as suggested in the letter from the Canadian Prime Minister. We recommend that if any announcement is made, it be general in scope and cover all participating nations. Signed Franklin D. Roosevelt. Ends.

237. DEA/22-Ns

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 51 London, April 18, 1944

IMPORTANT. TOP SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins:

Many thanks for your telegrams Nos. 34 and 35 of the 10th March. I have now examined these with the Chiefs of Staff and I have seen a copy of the reply which President Roosevelt has sent you. We welcome the proposal for the establishment of a Canadian Joint Staff Mission in London to act as a link with the British Chiefs of Staff and with the Supreme Allied Commanders. Our Chiefs of Staff will work out detailed arrangements for the necessary liaison between themselves and the Canadian Joint Staff Mission as soon as we hear that it has been appointed. President Roosevelt has explained that the appropriate channels of communications betwen the Canadian Chiefs of Staff and the Supreme Commands must be through the Combined Chiefs of Staff and not directly through your Joint Staff Mission. You will, I think, understand that it is essential not to disturb the well-established chain of command whereby the Supreme Commanders receive their instructions on all subjects from the Combined Chiefs of Staff. There will, of course, be no objection to your Joint Staff Mission having contact on day-to-day liaison matters with the Supreme Commands but all matters of high policy can only be dealt with through the Combined Chiefs of Staff. In your telegram No. 34 you expressed the opinion that it would be desirable that appropriate announcements should be made to make clear that General Wilson and General Eisenhower are Commanders-in-Chief of the participating forces of the United Nations. I agree with President Roosevelt that on military grounds there is no call for such an announcement. I am inclined to doubt its desirability on other grounds. The Supreme Command in the Mediterranean has been in existence for 18 months and has been directing the forces of many nations which have been placed at its disposal under arrangements satisfactory to all. Any general announcement at the present time might give rise to misunderstandings and cause difficulties with the many participants in the

European campaigns. I suggest therefore that if you desire to announce the authority of General Eisenhower over the Canadian Forces under his command that you should do so on behalf of the Canadian Government alone rather than that we should seek to get agreement from all concerned for a general announcement. Ends.

238. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, April 19, 1944

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RELATIONSHIP OF CANADIAN FORCES TO SUPREME ALLIED COMMAND; CANADIAN JOINT STAFF, LONDON

11. THE SECRETARY, referring to the discussion at the meeting of April 12th,† read a telegram from the U.K. Prime Minister.

Mr. Churchill welcomed the proposal to establish a Canadian Joint Staff Mission in London. He pointed out that while matters of high policy could only be dealt with through the Combined Chiefs of Staff, a Canadian Mission could have direct contact with the Supreme Commands on day-to-day liaison matters. He questioned the desirability of a general announcement to clarify the relationship of the Commanders-in- Chief to the forces of United Nations serving under them, and suggested that if it were desired that any announcement be made it should be on behalf of the Canadian government alone.

(Telegram No. 51, Dominions Office to External Affairs, April 18, 1944).

12. MR. HEENEY pointed out that Mr. Churchill's communication differed from the reply received from President Roosevelt in two respects. The President had stated that the only channel of communication with the Supreme Commands must be through the Combined Chiefs of Staff. He had also suggested that any statement regarding the authority of the Commanders-in-Chief should be general in scope and cover all participating nations.

13. THE WAR COMMITTEE, after discussion, noted the communication received from Mr. Churchill and approved constitution forthwith of a Canadian Joint Staff Mission, London, to consist of Vice-Admiral Nelles, Air Marshal Breadner and Lieut-Gen. Stuart; precise definition of the functions of the Mission and their relationship to the Supreme Command and to the U.K. Chiefs of Staff to be the subject of further consideration along with the nature of the replies to be sent to Mr. Churchill and the President.

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239. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET Ottawa, May 3, 1944

. . .

RELATIONSHIP OF CANADIAN FORCES TO SUPREME ALLIED COMMANDS; CANADIAN JOINT STAFF MISSION, LONDON

27. THE SECRETARY referred to discussion at the meeting of April 19th and submitted a draft message to the U.K. Prime Minister, copies of which had previously been circulated to the Ministers of National Defence and the Chiefs of Staff.

It was suggested that if it were decided to reply to Mr. Churchill along the lines indicated in the draft, it should be communicated to Mr. Churchill by the Prime Minister in London.[47] A similar message would then be sent to President Roosevelt. Subsequently, draft instructions to the Mission could be prepared for submission to the War Committee.

The draft submitted proposed abandonment of the proposal to make any announcement as to the relationship of the Supreme Commanders to the forces of Canada and other United Nations. It contained a formal recognition of the fact that General Eisenhower and General Wilson exercised Command over Canadian forces in their respective areas. It went on to describe the position of the Canadian Joint Staff Mission, London.

(Letter, Secretary to Minister of National Defence and others, May 2, 1944, and attached draft).[†]

28. THE MINISTER OF NATIONAL DEFENCE questioned the wording of paragraph 4, expressing the opinion that particular reference should be made therein to the right of the Canadian Commander to withdrawal from combination and the right of direct reference to the Canadian government, unless these rights were provided for specifically in the Visiting Forces Acts.

His principal concern in this matter was to see to it that Canadian Commanders were in a position to be informed of plans involving Canadian participation in sufficient time to enable them to exercise these fundamental rights without prejudicing the success of operations.

29. THE WAR COMMITTEE, after further discussion, agreed that a communication in the general sense of the draft submitted be communicated to the Prime Minister for transmission to Mr. Churchill, the draft to be revised,

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[47] Mackenzie King était alors à la Conférence des premiers ministres du Commonwealth du 1 au 16 mai.
Mackenzie King was then at the Conference of Commonwealth Prime Ministers, May 1 to 16.

finally, by the Secretary, in consultation with the Chiefs of Staff and the Department of External Affairs.

The meeting adjourned at 1.15 p.m.

A. D. P. HEENEY
Secretary

240. DEA/22-Ns

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 835 Ottawa, May 5, 1944

IMPORTANT. TOP SECRET. Following for Prime Minister from Heeney and Wrong. Reference our immediately preceding telegram,† following is text of draft message to Mr. Churchill, Begins:

1. My colleagues of the War Committee of the Cabinet have given further consideration to the questions raised in my telegram to you, No. 34 of March 10th, in the light of the reply contained in your telegram No. 51 of April 18th, and the message on the same subject received from President Roosevelt.[48]

2. In the circumstances, we have come to the conclusion that no public announcement should be made at this time to the effect that General Wilson and General Eisenhower exercise command over the Canadian Armed Forces within their respective areas. For the same reasons we are not inclined to press our proposal that any announcement should be made that they exercise command on behalf of all participating United Nations. At some later stage we may wish to revive one or other of these proposals.

3. Nevertheless, as indicated in paragraph 3 of my telegram No. 34 of March 10th, we think it desirable that the Allied Commanders in Chief in Western Europe and the Mediterranean should be formally notified that they exercise command over the Canadian Armed Forces in these theatres with the full authority of the Canadian government. I am informing President Roosevelt to like effect.

4. This expression on our part with regard to command must, of course, be subject to the provisions of the Visiting Forces Acts which govern in detail the relationship between the Forces of our two countries.

5. My colleagues and I have been glad to note that you welcome the establishment in London of a Canadian Joint Staff Mission to act as a link with the British Chiefs of Staff and with the Supreme Allied Commanders.

6. We have already taken steps to establish the Mission in the United Kingdom and it has been agreed that, at the outset, it will consist of Vice-

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[48] Voir le document 236.
See Document 236.

Admiral Percy Nelles, Head of the Canadian Naval Mission and Senior Canadian Flag Officer Overseas, Air Marshal L. S. Breadner, Air Officer Commanding-in-Chief, R.C.A.F. Overseas, and Lieutenant-General Kenneth Stuart, Chief of Staff, Canadian Military Headquarters, London.

7. We have noted that President Roosevelt regards it as necessary that the appropriate channel of communications between the Canadian Chiefs of Staff and the Supreme Commands must be through the Combined Chiefs of Staff and not directly through the Canadian Mission to the Supreme Commands. We also note that, while you agree that it is essential not to disturb the well established chain of command whereby the Supreme Commanders receive their instructions from the Combined Chiefs of Staff, you see no objection to our Joint Staff Mission having contact on day to day liaison matters with the Supreme Commands, matters of high policy being dealt with through the Combined Chiefs of Staff.

8. While we have no desire to upset the existing arrangements, you are doubtless aware that the relationship of the Canadian government and Armed Forces to the Combined Chiefs of Staff has never been defined with any degree of precision and indeed the Canadian Government has never been requested to recognize the Combined Chiefs of Staff as the source of authority of the Supreme Allied Commanders.

9. Nevertheless, we trust that the establishment of the Mission will result in effective collaboration in all matters affecting the dispositions and use of Canadian Forces. In this belief we have gone forward with the establishment of the Mission.

10. It is assumed that matters of high policy will continue to be dealt with between governments through whatever channels are most appropriate to the questions in hand, while our Staff Missions in London and Washington will provide ready and constant means of consultation and communication on military matters.

241. DEA/22-Ns

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 836 Ottawa, May 5, 1944

IMPORTANT. TOP SECRET. Following for Prime Minister from Heeney and Wrong, Begins:

1. At this week's meeting, the War Committee considered the form of communication appropriate to be sent to Mr. Churchill in reply to his telegram to you No. 51 of April 18th, on the questions of the relationship of Canadian forces to the Supreme Allied Commands and the establishment in London of a Canadian Joint Staff Mission.

2. The War Committee instructed us to revise the draft in consultation with the Chiefs of Staff and our immediately following telegram contains the text as so revised.

3. It was understood that, if you approved a message along the lines of the revised draft, it might be communicated at once to Mr. Churchill in a letter over your signature. If this were done, it was intended that a similar communication with appropriate changes should be prepared for you to despatch to President Roosevelt. Following this, it is proposed to prepare instructions for the London Mission.

4. Please let us know if you agree with this course of action and have cabled to us the text of the communication as delivered to Mr. Churchill. Ends.

242. DEA/22-Ns

Le chef d'état-major, le Quartier général militaire canadien, Londres, au sous-secrétaire d'État aux Affaires extérieures[49]

Chief of Staff, Canadian Military Headquarters, London, to Under-Secretary of State for External Affairs[49]

TOP SECRET AND PERSONAL London, May 10, 1944

Dear Norman [Robertson],

I have read the draft cable[50] you gave me and I have the following comments. I thought at first that para 7 was in conflict with Crerar's views, with which I agree, as expressed to us recently at Army Headquarters. In re-reading this paragraph I find that my first impression was wrong. This paragraph is really nothing more than a paraphrase of the substance of certain paragraphs in the cables from Roosevelt and Churchill to our P.M.

2. I would like to confirm what I said in your room at the hotel. I suggest that no further wires be sent until the contemplated operation on the continent has been launched. Our insistence in following up this matter at this time would not be fully understood and our views would not get the sympathetic consideration they deserve. There is no reason, however, why we should not go ahead with all preparations and actually set up our Canadian Joint Staff Mission here.

3. As I told you, I am not too happy about the second task of the Joint Staff Mission. I refer to its contact with the Supreme Allied Commanders. We can fulfil a really useful function in our relations with the British Chiefs of Staff. On the other hand I am afraid that our relations with the Supreme Commanders will not be productive of any great results. In the case of the Army, as you know from our conversation with Crerar, I am placed in a rather difficult position in respect to my conversations with the Supreme Commanders. I will

[49] N. A. Robertson était alors à Londres.
N. A. Robertson was then in London.
[50] Voir le document 240.
See Document 240.

have to be very careful not to get on to Harry's "pitch." I do not think it is possible to keep off entirely but I shall of course, keep him in the picture in respect to any conversations I may have.

4. In view of Mr. Roosevelt's cable[51] it is for consideration whether the second function of the Joint Staff Mission in London, namely contact with the Supreme Commanders, might not be eliminated. What is really required is contact on the policy and strategy side with the British Chiefs of Staff in London and with the Combined Chiefs of Staff in Washington. The Joint Staff Mission in London has been made responsible for the former. Why could not our Joint Staff Mission in Washington look after the latter more specifically than it does at present.

5. Paras 2 and 3 of the draft, when read in conjunction with Mr. Roosevelt's cable, bring another interesting point to light. Are we right in implying that the two Supreme Commanders derive their right to command Canadian troops from the Canadian Government? The U.S. imply that the Supreme Comdrs derive that right from the Combined Chiefs of Staff and that this body derive the right from the Canadian Government. Is there not something to be said in support of this view? If so should not para 3 of draft be amended accordingly?

6. I would be interested in seeing proposed draft in reply to Roosevelt's cable.

Your sincerely,

K. STUART
Lieutenant-General

243. DEA/22-Ns

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 99 Ottawa, June 6, 1944

SECRET AND PERSONAL. Following for your Prime Minister from the Prime Minister, Begins:

1. Since my return from London, I have had the opportunity of giving some further thought, in the light of your telegram No. 51 of April 18th, to the questions of the relationship of Canadian forces to the Supreme Allied Commands and the establishment in London of a Canadian Joint Staff Mission. These questions had been further reviewed, during my absence, by my colleagues of the War Committee of the Cabinet.

2. In the circumstances, we have come to the conclusion that no public announcement should be made at this time to the effect that General Wilson and General Eisenhower exercise command over the Canadian Armed Forces within their respective areas. For the same reasons we are not inclined to press our proposal that any announcement should be made that they exercise

[51] Voir le document 236.
See Document 236.

command on behalf of all participating United Nations. At some later stage we may wish to revive one or other of these proposals.

3. Nevertheless, as indicated in paragraph 3 of my telegram No. 34 of March 10th, we think it desirable that the Allied Commanders in Chief in Western Europe and the Mediterranean should be formally notified that they exercise command over the Canadian Armed Forces in these theatres with the full authority of the Canadian government. I am informing President Roosevelt to like effect.

4. This expression on our part with regard to command must, of course, be subject to the provisions of the Visiting Forces Acts which govern in detail the relationship between the Forces of our two countries.

5. My colleagues and I have been glad to note that you welcome the establishment in London of a Canadian Joint Staff Mission to act as a link with the British Chiefs of Staff and with the Supreme Allied Commanders.

6. We have already taken steps to establish the Mission in the United Kingdom and it has been agreed that, at the outset, it will consist of Vice-Admiral Percy Nelles, Head of the Canadian Naval Mission and Senior Canadian Flag Officer Overseas, Air Marshal L. S. Breadner, Air Officer Commanding-in-Chief, R.C.A.F. Overseas, and Lieutenant-General Kenneth Stuart, Chief of Staff, Canadian Military Headquarters, London.

7. We have noted that President Roosevelt regards it as necessary that the appropriate channel of communications between the Canadian Chiefs of Staff and the Supreme Commands must be through the Combined Chiefs of Staff and not directly through the Canadian Mission to the Supreme Commands. We also note that, while you agree that it is essential not to disturb the well-established chain of command whereby the Supreme Commanders receive their instructions from the Combined Chiefs of Staff, you see no objection to our Joint Staff Mission having contact on day to day liaison matters with the Supreme Commands, matters of high policy being dealt with through the Combined Chiefs of Staff.

8. While we have no desire to upset the existing arrangements, you are doubtless aware that the relationship of the Canadian government and Armed Forces to the Combined Chiefs of Staff has never been defined with any degree of precision and indeed the Canadian Government has never been requested to recognize the Combined Chiefs of Staff as the source of authority of the Supreme Allied Commanders.

9. Nevertheless, we trust that the establishment of the Mission will result in effective collaboration in all matters affecting the dispositions and use of Canadian Forces. In this belief we have gone forward with the establishment of the Mission.

10. It is assumed that matters of high policy will continue to be dealt with between governments through whatever channels are most appropriate to the questions in hand, while our Staff Missions in London and Washington will provide ready and constant means of consultation and communication on military matters.

11. I understand that these questions were discussed to some extent by United Kingdom and Canadian officials during the London meetings. I also understand that the first meeting of the members-designate of the Canadian Mission and your Chiefs of Staff has already taken place at which mutually satisfactory procedures were agreed upon. Ends.

244. DEA/22-Ns

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-2520 Ottawa, June 16, 1944

SECRET. Please communicate following message from Prime Minister to President Roosevelt, Begins:

1. In the light of the replies received from Mr. Churchill and yourself, my colleagues and I have now given further consideration to the questions of the relationship of the Canadian forces to the Supreme Allied Commands and the establishment in London of a Canadian Joint Staff Mission. These questions had been the subject of my communication to you of March 13th last through the Canadian Ambassador, and of an identical message to the Prime Minister of the United Kingdom.[52]

2. In the circumstances, we have come to the conclusion that no public announcement should be made at this time to the effect that General Wilson and General Eisenhower exercise command over the Canadian armed forces within their respective areas. For the same reasons we are not inclined to press our proposal that any announcement should be made that they exercise command on behalf of all participating United Nations. At some later stage we may wish to revive one or other of these proposals.

3. Nevertheless, as indicated in Mr. McCarthy's communication to you of March 13th, we think it desirable that the Allied Commanders in Chief in Western Europe and the Mediterranean should be formally notified that they exercise command over the Canadian armed forces in these theatres with the full authority of the Canadian government. I have informed Mr. Churchill to like effect.

4. You are no doubt aware that the United Kingdom government has welcomed the establishment in London of a Canadian Joint Staff Mission to act as a link with the British Chiefs of Staff and also with the Supreme Allied Commanders. We have already taken steps to establish the Mission which, at the outset, will consist of Vice-Admiral Percy Nelles, Head of the Canadian Naval Mission and Senior Canadian Flag Officer Overseas, Air Marshal L. S. Breadner, Air Officer Commanding-in-Chief, R.C.A.F. Overseas, and

[52] Voir le document 233.
See Document 233.

Lieutenant-General Kenneth Stuart, Chief of Staff, Canadian Military Headquarters, London.

5. We have noted that the United States Joint Chiefs of Staff regard it as necessary that the appropriate channel of communications between Canadian Chiefs of Staff and the Supreme Commands must be through the Combined Chiefs of Staff and not directly through the Canadian Mission to the Supreme Commands. We have no desire to disturb, in any way, the established chain of command whereby the Supreme Commanders receive their instructions from the Combined Chiefs of Staff. At the same time there can, we believe, be no objection to the Canadian Mission having regular contact on liaison matters with the Supreme Commands, so long as matters of high policy are dealt with through our contacts with the Combined Chiefs of Staff in Washington. I may say that our view, in this respect, is shared by the United Kingdom government.

6. We note that your Joint Chiefs of Staff regard the Supreme Commanders as deriving their authority from the "governments concerned" through the Combined Chiefs of Staff, and not directly from the governments.

I feel bound to point out that, while we have recognized that the higher direction of the war should be exercised by the Combined Chiefs of Staff, under Mr. Churchill and yourself, the relationship of the Canadian government and armed forces, to the Combined Chiefs of Staff, has never been defined with any degree of precision. Nor, specifically, has the Canadian government ever been requested to recognize the Combined Chiefs of Staff as the source of authority of the Supreme Allied Commanders.

In drawing attention to this state of affairs, which is somewhat unsatisfactory from the Canadian point of view, I need hardly say that we have no desire to upset existing arrangements, particularly at this critical time.

7. We trust that the establishment of the Canadian Mission in London will result in improved collaboration in all matters affecting the disposition and use of Canadian forces. In this belief we have gone forward with its establishment.

8. It is assumed that matters of high policy will continue to be dealt with between governments through whatever channels are most appropriate to the questions in hand, while our Staff Missions in London and Washington will provide ready and constant means of consultation and communication on military matters. Ends.

245. DEA/22-Ns

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 94 London, June 20, 1944

SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: Thank you for your telegram No. 99 of the 6th June. I note that you think it desirable that the Allied Commanders-in-Chief in Western

Europe and the Mediterranean should be formally notified that they exercise command over the Canadian Armed Forces in these theatres with the full authority of the Canadian Government. We have instructed our military representatives in Washington to obtain agreement to the issue of an instruction to this effect from the Combined Chiefs-of-Staff to Supreme Commanders concerned. I will let you know as soon as we receive a reply from Washington. Ends.

246. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, July 5, 1944

. . .

RELATION OF CANADIAN FORCES TO SUPREME ALLIED COMMANDS

3. THE SECRETARY, referring to the discussion at the meeting of June 21st, reported that the Combined Chiefs of Staff had now instructed the Supreme Commander, Allied Expeditionary Force, (General Eisenhower) and the Supreme Allied Commander, Mediterranean, (General Wilson), in the sense suggested by the government.

The following was the text of the message which had been sent to General Eisenhower and General Wilson, on July 3rd:

"In order to formalize the constitutional position of the Canadian forces serving under Allied Commanders, the Canadian government have asked us to notify you that you exercise command over the Canadian forces in your operation(al) theatre with the full authority of the Canadian government."

Information to this effect had been obtained from the Canadian Joint Staff, Washington, and would no doubt be confirmed by formal notification from the U.K. and U.S. governments.

(Army message, JS 92, Canadian Joint Staff, Washington, to Chiefs of Staff, Ottawa, July 4, 1944).†

4. THE WAR COMMITTEE noted with approval the Secretary's report.

. . .

247. DEA/22-Ns

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre

Memorandum from Secretary, Cabinet War Committee, to Prime Minister

SECRET Ottawa, July 7, 1944

Mr. Lewis Clark, in the absence of the U.S. Ambassador, has this morning asked me to communicate to you the following message from the President regarding the relationship of the Canadian forces to the Supreme Allied Commanders, the subject of recent discussions in the Cabinet War Committee and of communications to the U.K. and U.S. governments:

"I have noted your memorandum of 16 June[53] relative to the relationship of the Canadian forces to the Supreme Allied Commanders and the establishment in London of a Canadian Joint Staff Mission.

I am in full agreement with you and your colleagues in thinking it desirable that the Allied Commanders in Chief in Western Europe should be formally notified that they exercise command over the Canadian Armed Forces in those theatres with the full authority of the Canadian Government, and I shall so inform the United States Chiefs of Staff.

I appreciate the statement that you and your colleagues have no desire to disturb, in any way, the established chain of command whereby the Supreme Commanders receive their instructions from the Combined Chiefs of Staff."

Mr. Clark informs me that the message from the President is dated June 29th, 1944, but did not reach him until this morning. I have acknowledged the message from Mr. Clark.

A. D. P. H[EENEY]

248. DEA/22-Ns

Le haut commissaire en Grande-Bretagne au sous-secrétaire d'État associé aux Affaires extérieures

High Commissioner in Great Britain to Assistant Under-Secretary of State for External Affairs

London, December 15, 1944

Dear Mr. Wrong,

You will remember writing to me on October 2nd last enclosing with your letter draft instructions to the Canadian Joint Staff Mission in London. These have not, I think, yet been confirmed by the Cabinet War Committee.

[53] Voir le document 244.
See Document 244.

I think that so far as my own relationship to the Joint Staff Mission is concerned, I should make my position perfectly clear lest it should be thought that I have up to the present been associated with the work of that body. As you know, it was contemplated in paragraph 7 of the Draft Instructions to the Mission that its members should act in an advisory capacity to me, and that they should inform me of "the main developments which come to their attention." In practice, however, I have received no communication from the Joint Staff Mission since it was set up, with the exception of two or three routine documents of a quite unimportant character which have been transmitted on the secretarial level. Nor have I ever met with the members of the Joint Staff Mission as a body. I am, of course, in continual contact with them as individuals, but not in connection with their work as members of the Joint Staff Mission. I do not write this in any spirit of complaint, but simply to put the facts on record in case it may be thought in Ottawa that I am being advised or consulted through this channel regarding questions which come within the purview of the Joint Staff Mission.

Perhaps I may add very confidentially that I am less concerned at this omission than I otherwise might be because I have the strong impression that the Joint Staff Mission functions only at very rare intervals, and it has hardly yet developed the corporate character which would spring from day-to-day deliberations.

When definitive terms of reference for the Joint Staff Mission have been approved, and if it fulfils the functions originally envisaged, I should like to put forward some suggestions to ensure full and satisfactory liaison with this Office. Meanwhile I have written thus frankly about the present situation for the confidential information of yourself and Mr. Robertson and Mr. Heeney, as I am anxious that there should be no misunderstanding.

Yours sincerely,

VINCENT MASSEY

249. DEA/22-Ns

Le secrétaire, le Comité de guerre du Cabinet, au haut commissaire en Grande-Bretagne

Secretary, Cabinet War Committee, to High Commissioner in Great Britain

PERSONAL AND CONFIDENTIAL Ottawa, January 10, 1945

Dear Mr. Massey,

Mr. Wrong has suggested that I reply direct to your letter to him of December 15th, concerning the Canadian Joint Staff Mission, London. I have, however, delayed writing you until the matter of the Mission's instructions had again come before the Cabinet War Committee for consideration.

You will remember that the draft instructions,[†] sent you with Mr. Wrong's letter of October 2nd,[†] had been approved subject to the concurrence of the

then Minister of National Defence[54] who, at that time, was in Europe. Subsequent events rendered it impossible to have proper consideration given to the views of the Army for some time, and it is only within the last fortnight or so that General McNaughton has had an opportunity of putting forward his views on the subject.

Proposals by the Minister for amendment of the first draft have now been considered by the Chiefs of Staff and were submitted to and approved by the Cabinet War Committee at a meeting held on January 8th. I am sending you, separately, today, a copy of the instructions as approved.[†] These incorporate General McNaughton's amendments.

You will observe that the amendments have to do with preservation of the normal Army channel for executive instructions and limitation of the function of the Mission in relation to the Supreme Commanders to "liaison" and the obtaining of information where Canadian interests are involved.

You will notice that the approved instructions retain the paragraph to which you have drawn attention in your letter, namely, that directing the Mission's members to act in an advisory capacity to you and to inform you of "the main developments which come to their attention." This paragraph has been lifted from the terms of instructions of the Joint Staff, Washington. It was inserted in that case in the expectation that it would assist in bringing about that close relationship between the Mission and the Embassy which appeared to us to be in every way desirable. With the same object it has been inserted in the London instructions and I trust that efforts will now be made to associate the Mission more closely with Canada House.

I confess that I was not altogether surprised that up to the time of your writing on December 15th you had had no important contacts with the Mission, nor indeed with your confidential observation that as yet the Mission had developed little in the way of corporate character. An attempt has been made in the instructions to outline the joint functions which it is thought the Mission may usefully perform. It has occurred to me, personally, that it might prove useful if the High Commissioner were to meet with the Mission regularly, perhaps weekly, not necessarily with any fixed agenda, which no doubt would be difficult if not impossible at first, but rather for the exchange of information of mutual interest. It has also occurred to me that regular contact at the secretarial level between Canada House and the Mission might prove helpful from both points of view.

In any event, I would be grateful for any suggestions which you might care to make along this line, or any other proposals in relation to which we might give some assistance at this end to ensure satisfactory relations between the Mission and Canada House and, incidentally, to give to the Mission more of the joint character contemplated by the government.

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[54] J. L. Ralston.

I am showing this letter to Mr. Robertson and Mr. Wrong, also to Major-General Pope who, as Military Secretary of the War Committee, is particularly interested and who as former head of the Joint Staff, Washington, has close personal experience with the problems involved.

Yours sincerely,

A. D. P. HEENEY

SECTION B

ORGANISATIONS DE GUERRE COMPOSÉES
COMBINED WAR ORGANIZATIONS

250. DEA/3265-AS-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 105 London, July 17, 1944

SECRET. Early in the year the Prime Minister received a personal message from the United States President about United Nations planning in the international economic field.[55] In this message President drew attention to work which was being performed by Combined Boards and said he thought that time had come to consider part they should play in future and, in particular, how other countries should be associated in their work.

2. In his reply[56] Prime Minister concurred in President's remarks regarding good work which was being carried out by Combined Boards and suggested that their future status was a matter which might be discussed, in the first instance, between officials in Washington. At the same time a telegram was sent to our representatives in Washington informing them of these developments and asking for their advice as to best method of pursuing initiative which had been taken by United States Government in this matter.

3. Discussions among United Kingdom representatives in Washington have been proceeding and stage has been reached when they think that informal approach might be made to United States State Department with proposals on method of pursuing matter in so far as it concerns C.P.R.B., C.R.M.B. and C.F.B. A draft memorandum has been prepared for His Majesty's Ambassador and Resident Minister for Supply to hand to Mr. Stettinius which suggests that matter should be dealt with in two stages. Draft memorandum points out that owing to differences in work of several Boards discussions in precise terms about their future scope and work would be difficult, since what applies to one

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[55] Voir États-Unis, *Foreign Relations of the United States*, 1944, Volume II, Washington, U.S. Government Printing Office, 1967, p. 16.
See United States, *Foreign Relations of the United States*, 1944, Volume II, Washington, U.S. Government Printing Office, 1967, p. 16.

[56] Voir *Ibid.*, p. 36.
See *Ibid.*, p. 36.

Board does not necessarily or equally apply to another. It therefore suggests that United States, Canadian and United Kingdom officials directly concerned in operation of each Board, should, in first instance, examine together problems likely to be faced by their Boards in future, and particularly in Stage II. If, as we hope, there is agreement at working level on scope of work of each Board in Stage II, and on any necessary adjustments in methods of operation, next step would be for general questions arising out of these discussions to be considered by informal group consisting, we suggest, of representatives of United States State Department, Canadian Embassy, United Kingdom Embassy as well as of the Boards. Object of group would be to consider, in light of individual discussions, any general principles applying to future work of Boards, and probably such questions as relationship between Boards and countries not represented on them and relationship with any international commodity organization which may later be established. Discussions would at this stage be wholly exploratory and designed mainly to ascertain extent to which views of member Governments have been developing along similar lines.

4. We hope that the general procedure outlined will commend itself to the Canadian Government and that they will be ready to authorize their representatives at Washington to participate in the discussions suggested. On this assumption we have asked officials in Washington on United Kingdom side of Boards to enter into informal discussions with their United States and Canadian opposite numbers. We have also asked His Majesty's Minister (in absence of Ambassador) and Resident Minister for Supply to discuss procedure and draft memorandum with Canadian Ambassador before handing it to Stettinius.

5. We should like to emphasize our intention that discussions with United States Government at this stage should be exploratory. Our preliminary view is that Combined Boards should be maintained at least until end of Japanese war and, if possible, with their existing membership. We feel, however, that there are aspects, such as relationship of other United Nations with work of Boards, which are likely to assume considerable importance and that nothing but good can come from a preliminary exchange of ideas between countries represented on Boards as to how these and other problems should be dealt with when they arise.

251. DEA/3265-AS-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 123 Ottawa, July 20, 1944

SECRET. Your telegram No. 105 of July 17th. Combined Boards. We agree with the procedure which you propose for exploratory discussions and we have issued the requisite instructions to the Canadian representatives in Washington.†

252. DEA/3265-AS-40

Projet de mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Draft Memorandum by Special Wartime Assistant to the Under-Secretary of State for External Affairs

[Ottawa,] August 5, 1944

FUTURE OF THE COMBINED BOARD

The boards, particularly the committees, should be perpetuated and the following steps taken: The terms of reference should be changed to replace the present war purposes with peace time purposes and the membership, particularly of the committees, should be widened to include countries with a major interest in the matters dealt with.

It is true that the boards have not lived up to the full promise of their terms of reference to act as overall planning agencies. The C.P.R.B. has not integrated production and resources of the member nations. While it exercised a degree of influence and stimulus, it was compelled by and large to accept programs already established and which had already gained momentum. The committees, however, have dealt most successfully with specific problems such as the allocation of critical materials, the designation of sources of supply, the location and size of stock-piles, and abnormalities and dislocations of production and distribution. Not only have the committees been able to deal with problems of war, but they have already shown an ability to deal with problems at least of the transition—such matters as allocation of supplies for relief.

(Some dissatisfaction is voiced with recent efforts of the committees in the matter of relief requirements; e.g., the Textile Committee of the C.P.R.B. has not made adequate provision of textiles. I would discount this failure. Representatives on the Textile Committee face on the one hand urgent known needs of their nationals, on the other a vague relief requirement. Before they will deprive their nationals, the relief need will have to become more immediate and definite.)

The success of the committees can be attributed to the fact that reasonable men can generally come to agree on a solution to a common problem if they consider the same facts.

Much of the value of the committees has been indirect in that knowledge of each other's programs has made it possible for member nations to reach independent decisions which reflected a comprehensive understanding of the world position.

The committees provide a useful international forum for the consideration of practical problems. They should be retained as a medium for consultation between governments. It is wise to retain them with, as far as possible, the same members. These men are mostly highly qualified and have influence in

their own countries. They have worked together, in some cases for years, and have an appreciation of each other's problems and peculiarities.

The boards, particularly the C.P.R.B., operate under terms of reference related to the prosecution of the war. These terms of reference should be changed. It would be best if we could find an objective as unifying and compelling as the present one—the efficient prosecution of the war. However, objectives such as "preservation of peace", "promotion of prosperity", are too general and too controversial. Since the success of the boards in the past has been due to the ability of reasonable men to solve problems, it might be as well to be satisfied with endeavouring to retain the committees as a forum and more modest terms of reference might serve: such as "to serve as a medium for consultation between governments on questions concerning production and resources, trade and industry, and to make recommendations and reports to governments on such matters." In suggesting such terms, I have in mind not the immediate future, or Period II, but Periods III and IV. The boards and committees will continue during Period II. The British may have a special case to plead during that Period for freedom from Lend-Lease and White Paper restrictions. It doesn't matter to us whether the terms of reference are broadened for Period II. We sympathize with and might support the U.K. insofar as Period II is concerned, but our long-run policy should be to put the terms of reference on a peace time basis—which calls for the terms to be narrowed rather than broadened.

One of the most promising fields of activity of the committees might be that of tariffs and obstacles to trade. It would be well if consideration of such matters were not initiated by the committees but if such matters were referred to the committees when it is considered advantageous to have men of experience and influence already in association consider problems which affect their industries.

The second step which should be taken, I think immediately, is to broaden the membership, particularly of the committees, including new countries with major interests as has been done on the Fish Committee of the Combined Food Board in the case of Newfoundland, and as is under consideration on the Textile Committee in the case of India. The importance of widening the membership of the boards increases daily. In war decisions of the boards agreed to by member nations have been practically self-implementing because of the dependence of other nations on the member nations for critical materials and shipping, and above all, for defence. As peace approaches these implicit sanctions lose their force. An effort must be made to assure that future decisions are acceptable to those affected by them. This can best be achieved by providing those nations with an equal opportunity of having their representatives consider the facts and be a party to the decisions reached.

The desired step, of course, is to have the committees incorporated into a world organization; in which event whether the boards themselves continue is of little moment. However, if there is no such world organization, effort should be made to maintain the boards themselves with their membership broadened

to include the same nations as are contemplated for membership on the highest council of the world organization.

I do not deal with the question of the division of markets. Once the urgency of the war is removed and the inter-dependence for materials and wartime controls themselves are eliminated, there appears little that an international organization can do about dividing markets because the members do not yet enjoy, or seem likely to enjoy, a mandate from their people which would enable them to enter into agreements which might serve to exclude their industries from one world market or another. The only suggestions for divisions of markets which would be acceptable nationally would be those in the obvious financial interest of the industries concerned. It would hardly be possible, however, say for Canada by international agreement to deprive one industry of its world market even though it were in the national interest to do so.

S. D. P[IERCE]

253. DEA/3265-AS-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

DESPATCH 2064 Washington, August 29, 1944

Sir,

I wish to refer to your teletype EX-3034 of July 21st, 1944,† in which you approved of a procedure outlined in a letter from the British Embassy to the Acting Secretary of State for the purpose of carrying on discussions regarding the future of the Combined Boards.[57] The first stage of these discussions, in which Executive Officers of the Combined Boards participated, has not yet been completed, though it is hoped that it will be shortly. Stage 2 contemplated a discussion on the diplomatic level of general principles covering the future activities of the Boards. It was suggested by the British Embassy, and the suggestion was agreed to by the State Department, that in this stage representatives of the State Department, the United Kingdom Embassy and the United Kingdom Minister Resident, as well as the Canadian Embassy, might participate.

2. The United Kingdom authorities in Washington are, I understand, somewhat disturbed at the delay in reaching stage 2 of these discussions. It is proposed, therefore, that Sir Ronald Campbell shall address a communication to the State Department, which it is hoped will expedite this matter. The terms of this letter are attached to this despatch, and it will be sent to the State

[57] Voir États-Unis, *Foreign Relations of the United States*, 1944, Volume II. Washington, U.S. Government Printing Office, 1967, pp. 57-59. Voir aussi les documents 250 et 251.
See United States, *Foreign Relations of the United States*, 1944, Volume II. Washington, U.S. Government Printing Office, 1967, pp. 57-59. See also Documents 250 and 251.

Department very shortly. The last paragraph of the letter, which refers to the Canadian participation in the forthcoming stage 2 discussions, was discussed with me before it was included. In view of the fact that you had already agreed to the procedure in question, I felt it safe to agree to the inclusion of the paragraph in question. I would be grateful, however, if you would confirm this agreement and also at the same time communicate to me the names of the Canadian representatives to participate in the subsequent discussions.

I have etc.

L. B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Projet de lettre du ministre, l'ambassade de Grande-Bretagne aux États-Unis, au sous-secrétaire d'État des États-Unis

Draft Letter from Minister, Embassy of Great Britain in United States, to Under-Secretary of State of United States

Washington, August 1944

My dear Mr. Under-Secretary,

In your letter of August 11th† about the procedure for discussions regarding the future work of the Combined Boards, you were good enough to tell me that you had communicated with the U.S. members of the three Boards and asked them to conclude the preliminary discussions within the Boards as soon as possible. I understand from the United Kingdom representatives on the Boards that the discussions have made substantial progress and it is our view that the time has come when further consideration might be given to the establishment of the informal group mentioned in the fourth paragraph of my earlier letter. We should propose that the group should be composed on the U.K. side of Mr. Marris and Mr. Opie of the British Embassy, Mr. F. G. Lee of the Treasury Delegation, Mr. R. B. Stevens of the Civil Secretariat (representing the Minister Resident) and of the United Kingdom executive officers of the three Boards concerned. It would be clearly understood that the functions of the group would be exploratory only and that its findings would be referred to the Governments concerned and to the U.K., U.S. and Canadian members of the Boards.

If you agree that we are now ready to take the next step in these discussions perhaps you would be so good as to give consideration on your side to United States membership and to suggest a date on which a preliminary meeting might be held.

I have been in touch with the Canadian Chargé d'Affaires on this matter and I understand that he is in general agreement with this proposal and will communicate with you separately regarding Canadian representation.

[R. I. CAMPBELL]

254. DEA/3265-AS-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3650 Ottawa, August 31, 1944

Your despatch No. 2064 of August 29th, future of Combined Boards. You were quite right to agree to the inclusion of the final paragraph of Sir Ronald Campbell's letter. As the discussions seem likely to last some little time, the personnel should be found from the Canadians now in Washington and should include a senior representative of the Embassy and the senior men most in touch with the work of the Combined Boards. If the presence of anyone from Ottawa seems desirable, perhaps a meeting could be arranged on an appropriate date. In the meantime I shall collect the views of the Departments most concerned here and send you a memorandum of them.

255. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5735 Washington, October 5, 1944

Following for Angus and Pierce from Pearson, Begins: I have received your draft memorandum on the future of the Combined Boards. I wonder whether we should come out so categorically for "Perpetuation." I think a strong case can be made for continuation for a period after the war, and that we should support this, but perpetuation is something else. I doubt myself whether the Boards in their present form, or anything approaching that form, should be perpetuated. The basis of their membership must be broadened and I feel certain that in the post-war period membership on committees will not satisfy this demand.

2. I think, also, that we should associate any continuing Boards with United Nations functional organizations to be established; particularly, that we should recommend that they derive their authority from the proposed Social and Economic Council which, in turn, will be an off-shoot of the United Nations. I think we should assume that some such general United Nations organization will be created. You know more about this matter than I do, but I must say that I feel grave doubts about encouraging the Boards to be active in the field of tariffs and obstacles to trade.

3. The British have, I believe, already prepared their case for submission at the opening meeting on Monday. I am seeing them tomorrow about it, and hope to telegraph some information in the afternoon. Ends.

256. DEA/3265-AS-40

L'officier exécutif canadien, la Commission composée de l'alimentation, au sous-ministre de l'Agriculture

Canadian Executive Officer, Combined Food Board, to Deputy Minister of Agriculture

Washington, October 5, 1944

Dear Dr. Barton,

When I was in Ottawa on my way to the UNRRA Conference,[58] I left with you a draft of recommendations concerning the future of the Board. I discussed this with Mr. Angus in Montreal and then sent along a number of suggestions to Mr. Roll[59] who was working this up in the absence of Mr. Hutton, on behalf of the Executive Officers. We have had another session on it since my return, and we have finally agreed to a draft, copy of which I am enclosing for your information.

You will note that we have shortened up the recommendations into five rather terse, but nevertheless completely understandable points. In the explanatory notes which follow, we have not changed in any sense the wording of the reasons why the Board was established or the duties of the Board, although Mr. Angus was rather anxious that we should make it clear that, while this was a three-member board, nevertheless, we should have the interests of the other nations in mind. I think you will find that this point is made quite clear in the next sections of the document which follow.

Yours faithfully,

G. R. PATERSON

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[58] La deuxième session du Conseil d'UNRRA, Montréal, 15-27 septembre 1944.
Second Session of UNRRA Council, Montreal, September 15-27, 1944.

[59] Chef adjoint, la mission britannique sur l'alimentation en Amérique du Nord; membre adjoint et officier exécutif britannique, la Commission composée sur l'alimentation.
Deputy Head, British Food Mission to North America; British Deputy Member and Executive Officer, Combined Food Board.

[PIÈCE JOINTE 1/ENCLOSURE 1]

Projet de mémorandum des officiers exécutifs canadiens, la Commission composée de l'alimentation

Draft Memorandum by Canadian Executive Officers, Combined Food Board

SECRET

FINAL AGREED DRAFT

COMBINED FOOD BOARD

RECOMMENDATIONS CONCERNING THE FUTURE OF THE BOARD

The Combined Food Board recommends:

1. That there be no change in the existing terms of reference except that where reference is made to the U.S.A. and U.K. Governments, reference should be made also to the Canadian Government;

2. that the life of the Board should be presently defined as continuing so long as shortages of supply or shipping exist or until it is agreed that the work of the Board shall be dealt with by some other international mechanism. In any case the Board should continue in existence until the cessation of hostilities against Germany and Japan and for a period of six months thereafter, during which period the position is to be reviewed and agreement reached regarding the future of the Board;

3. that the membership of the Board be not expanded;

4. that the membership of the Commodity Committees of the Board be expanded for the purpose of promoting and securing more effective combined programming in respect of major foodstuffs entering into international trade, and to this end invitations be extended to the governments of such countries as may be agreed;

5. that the Board establish and maintain closest contact with international organizations, such as the Food and Agriculture Organization, which are concerned with long-term plans in the field of food and agriculture.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Projet de mémorandum des officiers exécutifs canadiens, la Commission composée de l'alimentation

Draft Memorandum by Canadian Executive Officers, Combined Food Board

SECRET

FUTURE OF THE COMBINED FOOD BOARD

In this memorandum we set out the main considerations which have led us to put forward the foregoing recommendations.

I.

(A) We recommend that there should be no change in the existing terms of reference, since experience has proved that the original terms are appropriate.

The Combined Food Board was established in the middle of 1942 by the President of the United States and the Prime Minister of the United Kingdom. The Canadian Government accepted, on October 28th, 1943, an invitation to join the Board. The membership of the Board consists, therefore, of representatives of the U.S.A., the U.K. and Canadian Governments.

The C.F.B. was established:

"in order to coordinate further the prosecution of the war effort by obtaining a planned and expeditious utilization of the food resources of the United Nations."

The duties of the Board were stated to be:

"To consider, investigate, enquire into, and formulate plans with regard to any question in respect of which the Governments of the U.S.A. and the U.K. have, or may have, a common concern, relating to the supply, production, transportation, disposal, allocation or distribution, in or to any part of the world, of foods, agricultural materials from which foods are derived, and equipment and non-food materials ancillary to the production of such foods and agricultural materials, and to make recommendations to the Governments of the U.S.A. and the U.K. in respect of any such question.

To work in collaboration with others of the United Nations toward the best utilization of their food resources, and, in collaboration with the interested nation or nations, to formulate plans and recommendations for the development, expansion, purchase or other effective use of their food resources."

The original terms of reference are very comprehensive. A brief outline of the development of the work of the Board may aid in making clear why we believe that the terms of reference should not be altered.

(i) From its inception, the Board and its committees have had as one of their main tasks the equitable division between various claimant countries of the total supplies becoming available to them; that is to say what has come to be known as "allocation." During 1943, as international shortages became more pronounced the number of commodities under "allocation" had to be extended.

In considering allocation problems, full weight has necessarily been given to the circumstances of war and notably to the shortage of shipping. The need to economize the use of ocean shipping has resulted in the concentration of effective demands upon sources of supply relatively near to consuming centres. There have thus emerged regional shortages of supplies. Similar regional shortages of exportable supplies have at times arisen due to inadequacies of internal transport or storage or specialized man-power shortages. In order to deal with these regional problems the Board has found it both desirable and necessary to formulate and recommend combined programmes whereby the supplies becoming available in any given region could be equitably and efficiently distributed to external claimants. One example of this form of combined programming was the movement of Caribbean sugar during 1943,

when the total sugar supplies available to the United Nations were adequate; another was the supply programme of exports of North American bread grain due to possible shortages in exportable supplies.

Thus the Board has found it necessary to deal not only with allocation problems in the strict sense, that is as applied to commodities in overall international short supply, but also with other combined programming problems arising from the needs of the war effort. This general task of formulating combined plans in order to ensure that common wartime problems may be equitably and efficiently resolved now constitutes in our judgment a most important and essential function of the Board.

As far as recommendations for allocations in the strict sense are concerned, the Board has concerned itself and will continue to concern itself only with items which are in short supply and which are needed for direct war purposes or for the maintenance of essential civilian economies related to the war and to the transitional period and to items the transportation of which involves so substantial a use of shipping that uncontrolled movements might lead to undue wastes of shipping or related facilities.

(ii) The Combined Anglo-American Area Committees, (e.g., the C.C.N.A.[60] and its successor the F.E.C.[61]), and the Anglo-American Economic Warfare authorities have periodically submitted various programmes of requirements and supplies to the Board for recommendation as to availability and sources of supply. These reviews by the Board have necessitated the consideration of the international or regional supply and demand positions of many commodities, some of which have not been under strict international allocation.

Recently the development of requirements programmes for liberated and occupied areas which have been submitted to the Board for recommendation as to availability and sources of supply, by the C.C.A.C., by UNRRA and by the "Paying Allies" have further emphasized the necessity, in the common interest, for the Board to develop combined supply programmes. In view of the agreements which were reached at Atlantic City whereby both UNRRA and the Paying Allies submit their programmes to the Combined Boards, it is to be presumed that the Combined Boards will continue to perform this function as long as the Boards and UNRRA exist.

(iii) The Board has found it necessary to make recommendations to governments regarding increased production of various foods, such as oils and fats, pulses, etc. In certain cases it has also found it desirable to secure the formulation, and itself to approve, detailed plans for the development of production resources in overseas territories, including the financial terms on which the increased production would be purchased.

(iv) The Board has also found it desirable to secure information regarding relative national levels of consumption and to secure that member countries exchange information regarding proposed significant changes in their consumption of particular commodities.

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[60] Combined Committee for North Africa.

[61] Foreign Economic Co-ordination.

(v) Thus, commencing with the strict international allocation of a limited range of major foodstuffs, the Board has found it essential to extend the field of its work to cover any aspects of production, distribution and consumption of foodstuffs which are of common interest. We are satisfied that at this time no narrowing of the existing terms of reference is practicable, no further widening is necessary.

(B) We consider that judged by present indications with regard to the availability of shipping and supplies of essential foodstuffs, it is necessary to contemplate continuance of the life of the Board until the termination of hostilities against both Germany and Japan, whichever is the longer, and for a subsequent period of six months during which time the position is to be reviewed and agreement reached on the future of the Board. So long as there exist large and changing military demands on the food supplies and on shipping, combined action will be required to insure that military demands are met in the most equitable and efficient manner possible.

Apart from military demands, however, there are the emerging requirements of the liberated areas and it is to be expected that as the war approaches its close there will be an increasing pressure on the part of those countries, which as a wartime necessity have severely restricted their consumption of food, to relax the stringency of their restrictions on comsumption, thus putting further strain upon international supplies of certain important foodstuffs. Speaking in general terms, 1945 will almost certainly be a year of difficulty as regards the proper management of food supplies. Bread grains are today the only major foodstuffs in plentiful supply and even in their case there are likely to be considerable regional difficulties, e.g., demands upon Australia are likely to be in excess of the available supplies. During 1945 there may well emerge surpluses of certain types of food, especially if military requirements are to be reduced substantially and military reserve stocks to be liquidated rapidly. Against this, however, there is to be set the very considerable needs of the liberated areas as well as of certain other countries.

As regards 1946, it is not possible at this time to make any confident predictions. Failing bad harvests, supplies are likely to be more adequate than in 1945. There may, however, be certain real and continuing shortages, e.g., of animal proteins.

However, we consider the Combined Food Board to be essentially a wartime organization. Once hostilities have ceased, we think it desirable that there be a further six months period during which the Board can consider the international supply and demand position in order to determine how far international control and regulation might be relaxed without causing serious disturbance, to consider what common problems regarding the international production and distribution of foodstuffs are likely to continue and if necessary to make recommendations to governments as to the manner in which these longer term problems might best be considered.

(C) We consider that the membership of certain of the Commodity Committees of the Board should be expanded.

Before developing the reasons for this recommendation, we feel it desirable to draw attention to the fact that the Board can make recommendations to governments, and can do no more; it is for governments to accept or reject them. The governments to whom the Board's recommendations are presented are not confined to the member governments.

Shortly after the Combined Food Board was established, the London Food Committee was formed. This Committee has now been superseded by the London Food Council on which are represented the governments of the U.K. (which covers also the British Colonial Empire), Australia, New Zealand, South Africa, Southern Rhodesia, and India. The closest contact is maintained between the L.F.C. and its committees and the C.F.B. and its committees. The recommendations of the L.F.C. are communicated to the C.F.B. and any comments which the C.F.B. may have to make are referred back to the L.F.C. All the C.F.B. recommendations are submitted, through the L.F.C. to the member governments of the L.F.C. for the concurrence of those governments. Contact is maintained and agreement secured in all relevant cases with the governments of France and Belgium through Combined Area Committees and Tripartite Committees; with the European Neutrals through the Anglo-American Economic Warfare authorities, and with all other governments through other area organizations and through diplomatic channels.

In addition, the Combined Food Board has approved, in the interests of efficient purchasing and international distribution operations, a series of centralized purchase schemes whereby the appropriate agency of one of the member governments enters into bulk or long-term contracts with non-member producing countries for the total exportable supplies which can be made available. Thus the purchase of Cuban sugar is entrusted to the Commodity Credit Corporation, of South American meat and animal fats to the Ministry of Food, and of Brazilian rice to the Ministry of Food within the framework of an agreement concluded between the governments of Brazil, U.S.A. and the U.K. It is to be noted that in no cases are these bulk purchases, or purchases under a long-term contract concluded without the approval of the government of the supplying country; in certain cases, the contract or the bulk purchase is made direct with the government of the producing country.

Finally, it has already been found desirable in the case of certain commodities to extend the membership of the Commodity Committees beyond the U.S.A., Canada and the U.K. Thus for example Newfoundland is represented on the Fish Committee and France on the Fertilizers Committee.

However, with the liberation of Allied territories in Europe, it is in our opinion desirable that where necessary the membership of Commodity Committees should be further expanded to include representatives of those countries which have an important influence upon the international exchange of the foodstuffs concerned, either because of the exportable production of their countries, or of their import requirements for that foodstuff. Thus we believe that France, Belgium, the Netherlands and Norway should be invited to become members of appropriate committees. Specifically we suggest for immediate action that representatives of France be invited to become members

of the Oils and Fats, Sugar and Cocoa committees, representatives of Belgium be invited to become members of the Cocoa Committee, and representatives of Norway be invited to become members of the Oils and Fats committee. At a subsequent date, when it appears likely that the resources of the Dutch East Indies will once again become available to the United Nations, we recommend that the representatives of the Netherlands should be invited to become members of the Sugar Committee, the Tea Committee and of the Oils and Fats Committee. We suggest further that if in the near future it should be decided that the supply and demand position in respect of coffee is such that combined programming or allocation is considered essential, representatives of Brazil, France and Belgium be invited to become members of that committee.

II.

We have discussed the desirability of recommending that the membership of the Board itself should be expanded by the inclusion of other governments and have concluded that this is not at present desirable. We have also considered the problem which arises from the fact that the work of the Board, although concerned with current and wartime problems, may have an important bearing upon longer term developments in the field of food and agriculture. We consider it desirable therefore that between now and the termination of the Board the closest contact be maintained between the Combined Food Board and international bodies such as the Food and Agriculture Organization which are concerned with long term plans. Such liaison would moreover provide opportunity for consultation between the countries concerned with the current operations of the Board and other United Nations.

257. DEA/3265-AS-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4087 Ottawa, October 6, 1944

Your WA-5706 of October 4,† WA-5735 of October 5th and WA-5739 of October 6th,† future of Combined Boards.

It was not intended in the draft memorandum to advocate continuation of the Boards in their present form beyond the transitional period. If the form of the Boards is not changed and if they are not linked with United Nations functional organizations then certainly they cannot last beyond that period. During this period we consider they have an important function to perform. In particular McIvor,[62] of Cereals Committee C.F.B., is strongly of the view that it is to Canada's advantage to continue that Committee for some time.

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[62] Commissaire principal, la Commission canadienne du blé.
Chief Commissioner, Canadian Wheat Board.

General agreement here with the Boards' post-war activities eventually being linked with if not absorbed by United Nations functional bodies which may be set up to deal with matters now considered by the Boards.

Agriculture feels that membership, particularly of C.F.B., should not be widened unless the C.F.B. becomes absorbed in such a United Nations functional body. This view is occasioned by the difficulties presented by claims for membership based on prestige rather than functional value.

It may well be that unless something is done to widen the membership of the Boards, or at least the Committees, as suggested by the C.F.B., other countries will be unwilling to recognize their authority as allocating agencies even during the transitional period.

The function of medium of consultation will we think in the long run be more important than allocation but the question of using committees in matters of tariffs and obstacles of trade does not arise unless there is a change in the form, and even then it is suggested that they only be called in for advice when it may be considered advisable to obtain qualified technical opinion on the effect throughout the world on their industry of the adoption of certain policies.

We suggest further that an effort be made to make the terms of reference of the Boards realistic and related to the Boards' value as a medium of consultation rather than to their rapidly decreasing usefulness as allocating bodies. In war, their recommendation often carried the force of allocation because of the implicit sanctions underlying any pronouncement by the U.K., U.S. and Canada due to their control of many essential supplies and of shipping, and due in the last analysis to their willingness to compel conformity. These sanctions however fade in the transition and disappear in peace. To retain terms of reference which assume that the Boards will continue to exercise even their present authority might prejudice the preservation of what is really of value, the habit of intergovernmental consultation which they have developed. Ends.

258. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5763 Washington, October 6, 1944

Following for Angus, from Pearson, Begins: Following is the operative section of a memorandum prepared by the Combined Raw Materials Board for consideration at the discussions on the future of the Combined Boards to begin next Monday, Begins:

4. It is suggested that the Board should continue in being during the period of hostilities with its present membership and terms of reference, the objectives being:

(a) To continue the existing procedure of recommending allocation of materials in short supply;

(b) To consider and recommend action in regard to adjustments in production of particular raw materials which are likely to become in excess supply, including the disposal of surplus quantities;

(c) To initiate whatever steps are possible with regard to particular commodities in preparation for adjustment of their special difficulties in the transition period;

(d) To co-ordinate U.S.A. and U.K. views on the supply aspect of raw materials produced in enemy and neutral countries.

5. It is felt that a rigid plan of operation cannot be prescribed beforehand. As regards commodities in short supply it will doubtless be necessary to bring other countries into closer consultation than has hitherto been necessary, but suitable arrangements with UNRRA and the paying Allies should assist in this regard. It is understood that consideration is being given by both our Governments to the question of negotiating supply agreements with certain neutral countries to operate during the transitional period. The technique of the Board will have to be adjusted to special circumstances, dependent upon the organizations of the producing industry and consumers, as well as the relative demands of non-member countries. For example, hides, which are produced in many countries, present a quite different problem to jute where India is the sole producer, or to copper or aluminum where the countries producing worthwhile amounts are relatively few.

6. In some cases falling under paragraph 4 (b) and (c) above it may well be desirable to establish ad hoc Committees of representatives of the U.S.A., U.K. and third countries to advise Governments on the policies to be followed in the general interest. Whether such Committees should be formally initiated by the Board or should be established on the initiative of both Governments in parallel will depend upon the special circumstances of individual commodities. In general, however, where matters affecting the post-war position are concerned, it would be desirable for the commodity Committees to be established in parallel, although in such cases the Board should be represented either by direct membership of the Committee or at the secretariat level.

7. The work of the Board and any Committees which may be established on particular commodities should, as far as possible, be guided so that it can be fitted into any international commodity scheme if this should later be adopted as Government policy, whether for particular commodities only or generally. Memorandum ends. Full memorandum[7] going by bag. Ends.

259. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5819 Washington, October 10, 1944

IMMEDIATE. Following for Angus from Pearson, Begins: Your EX-4117, October 10th.† Draft of September 21st reads as follows:

C.P.R.B.

CONFIDENTIAL

DRAFT 5.

SEPTEMBER 1ST, 1944

C.P.R.B. has considered the nature of the industrial and economic problems arising during the period between the defeat of some of the Axis countries and the end of the war and submits the following statement, as representing the appropriate revision of its functions to meet the problems which may arise.

In order to ensure that full consideration is given to mutual problems of industrial and economic production, the C.P.R.B., in addition to the functions which it has hitherto exercised, will deal with the following subjects of common interest to its member Governments.

It will:

(a) Continue to co-ordinate United States, United Kingdom and Canadian production resources to the end of winning the war. In doing this

(I) Full consideration will be given, in the co-ordination of the production programs of the member countries, to all relevant industrial and economic factors, to the end that no one country should have devoted to war production an undue proportion of its resources.

(II) There will be close collaboration with other United Nations in order to ensure the full utilization of their resources. Account will be taken of resources of neutral countries. The industrial output and resources of ex-enemy countries and their satellites will, as appropriate, also be taken into account.

(b) Facilitate reconversion and *eventual* return to normal economy in the United States, United Kingdom and Canada, bearing in mind the world position, by such means as the exchange of information on their adjustment program.

(c) Deal with problems arising from the needs of liberated areas for consumer goods and services and for supplies for rehabilitation and maintenance of industrial plant and public utilities. For this purpose also the resources of other United Nations, of neutral countries and of ex-enemy countries and their satellites will, as appropriate, be taken into account. Technical consultant

services may be furnished with respect to determination of availability of equipment and installation of facilities.

(d) Assist in the solution of problems of surplus stores.

(e) Maintain equitable distribution of manufactured or partly manufactured goods which are subject to combined planning, at the same time arranging for mutual consultation in preparation for the progressive relaxation or elimination of controls.

(f) Act as a convenient forum for discussing future common industrial or economic production problems of the member countries.

September 1, 1944, C.P.R.B.

260. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 2350 Washington, October 11, 1944

Sir,

I have the honour to report on a meeting which was held in Washington on Monday, October 9th, to discuss the future of the Combined Boards. This report will be preliminary and will be amplified after further discussions among the Canadian representatives who attended the meeting.[63] Mr. G. C. Bateman and Mr. G. C. Monture of the Canadian section in the C.P.R.B.; Mr. G. R. Paterson, Canadian Executive Officer of the C.F.B. and Mr. Pearson and Mr. Ritchie of this Embassy attended the meeting together with the U.S. and U.K. representatives.

2. The meeting considered the points of agreement which were apparent from the various papers (copies and extracts of which have been sent to you) submitted by the individual boards, and the statement of the general policy position of the U.S. Government as set forth in a paper on *The Future of the Combined Boards*,[64] three copies† of which are enclosed for your information). The points of initial agreement were found to be:

(1) That the Combined Boards as such must be continued as long as the war need exists. (The suggestion in the C.F.B. paper that the life of that Board should be extended for six months beyond the cessation of hostilities was held over for subsequent consideration as a possible termination date for the activities of the Boards).

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[63] Aucun autre rapport ne fut trouvé.
No further report was located.

[64] Voir États-Unis, *Foreign Relations of the United States*, 1944, volume II. Washington, U.S. Government Printing Office, 1967, pp. 80-84.
See United States, *Foreign Relations of the United States*, 1944, Volume II. Washington, U.S. Government Printing Office, 1967, pp. 80-84.

(2) That enlargement of the membership on the Boards proper is not feasible at present.

(3) That enlargement of committees of the Boards should be made, when appropriate, to include countries important as producers or consumers.

(4) That items in short supply and essential to the prosecution of the war or to the maintenance of essential civilian economies (including liberated areas) will be subject to allocation recommendations of the Boards.

3. After these points of agreement had been established discussion centered on three points on which it appeared that at least some clarification and possibly some adjustment might be necessary to secure conformity among the various views:

(1) The procedure to be adopted in the case of items which are not in short supply at a particular time (supplies being defined as global supplies on an annual basis). In the case of such "surplus" materials the official U.S. view, as expressed on pages 4 and 5 of the enclosed paper, was presented. It was agreed that combined recommendations concerning the disposal of such surpluses would not be feasible but that use might be made of the facilities offered by the Boards for consultation from which separate (but possibly parallel) recommendations might be made by the national members of the Boards to their respective governments. The Boards would be in no position to compel the individual governments to consult together through the Boards on the disposal of such surpluses. Consultation, when deemed desirable, could be informal. Recommendations emerging from such consultation might be confined to a mere descriptive statement of the problem or might go so far as to recommend solutions.

(2) The procedure to be adopted for capital goods items (i.e. reconstruction or recovery requirements) over and above those needed for military reconstruction or essential civilian rehabilitation when total supply of such goods is short. The consensus of opinion was that combined recommendations would be applied only to that portion of total supply which was needed for military reconstruction or essential civilian rehabilitation. Other requirements would not be subject to combined allocation.

(3) The relationship of combined board activities to prices in foreign markets. No definite view on this problem emerged from the meeting although it appeared to be generally considered that activities directed towards affecting prices in foreign markets should be confined to cases in which the commodity concerned was in short supply and supplies from the particular market were required to meet essential requirements for the prosecution of the war or the maintenance of essential civilian economies.

4. There was some discussion of the formal change to be made at this stage in the constitution or terms of reference of the Boards. This change might be marked by a revision of the charters of the individual boards, the issuance of a general statement of principles and/or the release of a formal statement to the press. It was recognized that difficulties might be encountered in drafting and issuing a general statement of principles and a corresponding press release. It

was thought best at this stage to make only those revisions in the individual charters which appeared necessary to bring the operations of the individual boards into line with the sense of the general discussion at this meeting and subsequent meetings. A small drafting committee representing the three countries is to examine the individual charters in the light of these discussions and recommend the necessary changes for later consideration.

I have etc.

L. B. PEARSON
For the Ambassador

261. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5892 Washington, October 13, 1944

IMMEDIATE. SECRET. Our despatch No. 2350 of October 11th, future of the Combined Boards. The Drafting Committee on which we are participating will meet at 11.30 Monday morning, October 16th. The United Kingdom representative who will be Chairman of this Committee proposes to confine the activities of the Committee to reviewing the recommendations of the individual Boards (copies of which were sent to you with Mr. Paterson's letter of October 5th, our teletypes WA-5763 of October 6th and WA-5819 of October 10th) in the light of the discussion last Monday, with a view to making any necessary modifications in these recommendations in order to convert them into suitable charters or terms of reference for the individual Boards. There is a possibility that the United States members may suggest the drafting of a general statement of principles, along the lines of the Paper[65] enclosed with our despatch No. 2350, to be used as a guide in the interpretation of the charters of the individual Boards. The United Kingdom members will oppose this suggestion as they feel that the preparation and issuance of such a statement of principles would run into difficulties which can be avoided if the Committee's activities are limited to the drafting of suitable charters for the individual Boards.

We should appreciate instructions on the procedure which you wish us to follow together with any specific suggestions which you may wish to make for the new charters in the light of the recommendations of the individual Boards. My own view is that the United Kingdom approach to this problem is a sound one in present circumstances. I have a feeling that any statement of general principles governing the operations of the Boards in stage 2 or in the post-war period might arouse among non-member States certain fears and provoke

[65] Voir la note 64.
See footnote 64.

certain discussions. This would, of course, depend on the nature of the statement which would be proposed by the United States. Our discussions last Monday, however, indicated that there is some danger of this statement going further than would seem to be desirable. However, you may have other views on this matter.

262. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5902 Washington, October 14, 1944

Following for Dr. Barton, Department of Agriculture, and H. F. Angus, Department of External Affairs, from Paterson, Begins: In accordance with our memorandum and recommendations concerning the future of the Combined Food Board the Executive Officers are proposing to invite additional membership to Committees immediately as follows:

(1) The French to the Oils and Fats, Sugar and the Coffee, Cocoa and Spices Committees.

(2) The Belgians to the Oils and Fats and the Coffee, Cocoa and Spices Committees.

(3) The Norwegians to the Oils and Fats Committee.

(4) The Dutch to the Oils and Fats and the Sugar Committees as observers pending liberation of the Dutch East Indies and full membership thereafter, although the United Kingdom would have no objection to full membership of the Dutch on these Committees at once.

Please advise immediately if you have any objections to the above as it is likely we may wish to approve these steps at the Board meeting on the 17th. Ends.

263. DEA/3265-AS-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4195 Ottawa, October 16, 1944

IMMEDIATE. SECRET. Your WA-5892 of October 13, future of Combined Boards.

Confirming conversation this morning, we agree with you that issuance of statement of principles inadvisable but we feel this does not preclude issuance of an announcement of decisions reached, particularly an announcement that

membership of the Committees will be broadened to include producers and consumers of importance. This might in some measure allay the fears of non-member states.

264. DEA/3265-AS-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4198 Ottawa, October 16, 1944

Following for Paterson from Angus.

Your WA-5902 of October 14th, Committees Combined Food Board. This question has been discussed with Dr. Barton and there is no objection here to the proposed additions to the Committees.

265. DEA/3265-AS-40

Mémorandum du département d'État des États-Unis

Memorandum by Department of State of United States

CONFIDENTIAL Washington, October 16, 1944

MEMORANDUM OF CONVERSATION

SUBJECT: FUTURE OF THE COMBINED BOARDS - DRAFTING GROUP

Participants:

Mr. J. W. Wyndham-White, Mr. Thomas Brand, U.K.
Mr. A. E. Ritchie, Canada
Mr. H. H. Fowler, Mr. C. C. Brown, U.S.
Copies to A-A—Mr. Acheson, BC—Mr. Hickerson, WEA—Mr. Taft, ECA—Mr. Haley, Mr. J. Wyndham-White and Mr. T. Brand of U.K., Mr. A. E. Ritchie of Canada, and Mr. Fowler, U.S.

On instructions of the tripartite committee assigned the task of reaching a conclusion on the future of the Combined Boards, the above group convened to consider the matter of drafting necessary papers. Prior to the discussion, a memorandum of conversation[66] setting forth the conclusions reached at the meeting on October 9th of the senior group was distributed. It was agreed that this memorandum presented an adequate account of the previous conversation and its conclusions.

In a substantive sense, the U.K., Canadian and U.S. representatives agreed on the broad questions relating to the future of the combined boards. There had not been a complete understanding, however, regarding the procedure to be followed in preparing the necessary papers. Three alternatives are available.

[66]Voir le document 260.
See Document 260.

The basic policy position of the U.S. Government, presented in a paper entitled "The Future of the Combined Boards", might be edited as a basic policy position of the three governments to be followed by all of the Boards. Alternatively, the basic policy position of the U.S. Government might be discarded and three papers prepared by the U.K. to govern the operations of the CPRB, the CRMB and the CFB, respectively,[67] might be edited to serve as a basis for operations in the future. Finally, the U.S. Government general policy position might be edited as a combined paper, followed by a revision of the three specific papers relating to the several Boards.

After considerable discussion it was agreed by the Canadian and U.K. representatives that, while they did not want to go "joint account" with the U.S. in preparing an edited draft of the general policy paper, the present draft of the paper contains nothing inconsistent with the agreements reached last Monday. Therefore, it was concluded that the U.S. side will redraft the three specific papers relating to each of the Boards, using the basic policy paper as a guide. Mr. Fowler and Mr. Brown agreed to do this. Revised drafts will be submitted to Mr. Ritchie for his clearance and concurrence prior to meeting again with the U.K. representatives for approval to report back to the senior committee.

This will leave us with a U.S. Government general policy position which it was generally agreed should be distributed to the operations personnel of the U.S. side of the Combined Boards, and with three specific papers describing revised terms of reference for each of the three Boards. The latter papers will then be combined papers as contrasted with the first, which would simply be a set of instructions to the U.S. side as to the appropriate policy within which they should operate.

It was agreed without qualification that a press release should be prepared to be issued jointly by the President and the Prime Ministers of Britain and Canada.

266. DEA/3265-AS-40

L'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au ministre, l'ambassade aux États-Unis

Special Wartime Assistant to Under-Secretary of State for External Affairs to Minister, Embassy in United States

Ottawa, November 18, 1944

Dear Mr. Pearson,

The three documents dealing with the future of the Combined Boards, which were enclosed in your letter of November 8th,† have been circulated to the interested Departments here with a request that any criticisms should reach the Department of External Affairs by November 16th.

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[67] Voir les documents 258 et 259 et les pièces-jointes du document 256.
See Documents 258 and 259 and the enclosures to Document 256.

The Department of Trade and Commerce is interested in noting the proposal that the Combined Boards should give consideration to the problem of transitional surpluses and believes that their activities may assist in the orderly disposal of such surpluses as may be common to all of the countries participating in the Boards. It might be worth while examining this observation in greater detail as it is my impression that the United States is anxious that its surpluses of wheat and flour should be freed completely from Board control.

As no other observations have been received from any of the interested Departments and as they have been kept in touch with the correspondence on the future of the Combined Boards as it has developed, it is now safe to say that the drafts which you have submitted are likely to be acceptable to the Canadian Government.

Yours sincerely,

H. F. ANGUS

267. DEA/3265-AS-40

Le ministre, l'ambassade aux États-Unis, à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Special Wartime Assistant to Under-Secretary of State for External Affairs

Washington, December 2, 1944

Dear Mr. Angus,

With reference to your letter of Nov. 18th and other communications which we have exchanged on the future of the Combined Boards, I am now enclosing three copies of the relevant documents which have resulted from our combined discussions here:

1. Memorandum on the Future of the Combined Raw Materials Board.
2. Memorandum on the Future of the Combined Food Board.
3. Memorandum on the Future of the Combined Production and Resources Board.
4. Press Release on the Future of the Combined Board.

With the exception of the C.R.M.B. memorandum in which the U.K. is proposing a number of minor textual changes these papers can now be regarded as in final form as far as the Committee here is concerned. They are of course still subject to formal examination and approval by the three member governments.

We regard these documents as generally satisfactory. There might be a number of minor changes which would improve the style of the papers but for operating purposes we regard these drafts as adequate for our purpose.

Concerning the remarks in your letter with respect to the problem of transitional surpluses, you will note the authority of the individual national agencies in handling this problem is specifically recognized and provision is

made for the use of the Boards' facilities to reach "an agreed solution" only if the national agencies instruct the boards to undertake such action.

This letter is not to be regarded as a formal submission of these memoranda. Representatives of the U.S., U.K. and Canada are to meet, probably next week, to make the necessary arrangements for referring the final versions of these memoranda to the member governments for their formal consideration and approval. In the meantime, I feel that you may find it useful to have these documents. As I mentioned above, it is unlikely that any significant changes, apart from textual changes in the C.R.M.B. memorandum, will be made in these memoranda before they are formally referred to the Canadian Government.

Yours sincerely,

[L. B. PEARSON]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Mémorandum du Comité tripartite de rédaction

Memorandum by Tripartite Drafting Committee

Washington, November 22, 1944

MEMORANDUM ON THE FUTURE OF THE COMBINED RAW MATERIALS BOARD

AUTHORITY FOR ESTABLISHMENT OF THE BOARD

1. The Board was established in January 1942, by a directive of the President and Prime Minister which read in part as follows:

Combined Raw Materials Board

"A planned and expeditious utilization of the raw material resources of the United Nations is necessary in the prosecution of the war. To obtain such a utilization of our raw materials resources in the most efficient and speediest possible manner, we hereby create the 'Combined Raw Materials Board."

The Board is operating under the following terms of reference:

(1) To plan the best and speediest development, expansion and use of the raw material resources under the jurisdiction or control of the two Governments, and make the recommendations necessary to execute such plans. Such recommendations shall be carried out by all departments of the respective Governments.

(2) In collaboration with others of the United Nations, to work toward the best utilization of their raw material resources, and, in collaboration with the interested nation or nations, formulate plans and recommendations for the development, expansion, purchase or other effective use of their raw materials.

It will be observed that the terms of reference for the Combined Raw Materials Board relate the operations to the effective prosecution of the war.

GENERAL DESCRIPTION OF OPERATIONS TO DATE

2. In the course of its work the Board has had contacts with representatives of others of the United Nations on various specific questions, but during a period when the U.S.A. and U.K. procurement agencies were purchasing maximum possible quantities and were in practice obtaining the bulk of the exportable surpluses of other producing countries the governmental contacts have successfully been handled by those agencies. The U.K. has, in the main, dealt directly with the Empire countries on matters with which the Board has been concerned, save in the case of Canada where liaison arrangements had been made through previously existing channels. In the case of Russia the arrangements have been made in connection with the Protocol, although there have been other discussions with Russian representatives. In all the above the Board has provided a forum at which activities associated with the prosecution of the war could be co-ordinated and overall plans agreed.

3. No attempt has been made by the Board to cover the whole field of raw materials. The effort has been concentrated rather on those materials in short supply, whether for production or shipping reasons, and to adjust the relative supply positions so as to secure the maximum output of finished products for the war effort and to affect maximum efficiency in the use of available shipping. The particular sphere of activity is constantly changing. As shipping conditions ease and as items pass from short supply to ample supply, allocation recommendations of the Board have been withdrawn. Thus, problems on most metals are now far less pressing, while such materials as hides, jute, woodpulp and lumber are now requiring special consideration and will probably continue to do so throughout the remainder of the war period.

FUTURE BASIS OF OPERATIONS

4. It is suggested that the Board should continue in being for the duration of the war against either Germany or Japan, whichever is the longer, unless it is decided by the member governments represented that any or all of the agreed principles should be terminated or modified earlier. The practice shall be continued of adding representatives of other countries to its working committees when this appears necessary to insure that their special position as important producers or consumers is taken into account. Member governments shall consult in due course to determine whether some of the functions of the Board need to be continued after the termination of hostilities.

5. The Board should continue its operations under the existing terms of reference, it being understood that in recommending allocations and other appropriate measures they shall relate to (1) items which are in short supply and which are needed for direct war purposes or for the maintenance of essential civilian economies, and (2) items the transportation of which involves so substantial a use of shipping that uncontrolled movements might lead to a considerable uneconomic use of scarce shipping facilities. In deciding upon what items are not in short supply the Board will appraise what would be the net annual global position after the removal of allocation recommendations. Where the total supply of a commodity exceeds essential requirements, but is

less than total demands, the Board should allocate the available supplies only to the extent necessary to protect the supply needed for direct war purposes or for the maintenance of essential civilian economies.

6. Each member Government is expected through its representative on the Board to give the other government advance notification of any intention to effect substantial changes in the production or procurement of materials under review by the Board.

7. Subject to the principles enunciated in paragraphs 5 above and 10 below, the Board will co-ordinate U.S.A. and U.K. views on the supply aspect of raw materials produced in enemy and neutral countries and needed for direct war purposes or for the maintenance of essential civilian economies.

8. The Board will make recommendations for coordinated buying with the object of preventing an undue rise in prices, only in respect of those items that are in short supply and at the same time are necessary for direct war purposes or for the maintenance of essential civilian economies.

9. It is felt that a rigid plan of operating procedures cannot be prescribed. As regards commodities in short supply, it will doubtless be necessary to bring other countries into closer consultation but suitable arrangements with UNRRA and the paying Allies would assist in this regard. In this particular connection the technique of the Board will have to be adjusted to special circumstances, dependent upon the organizations of the producing industry and consumers, as well as the relative demands of non-member countries.

10. The Board should transmit to its member governments such information as it may have available with respect to the position of particular raw materials which are likely to become in burdensome excess supply, in order that each country can establish its position and negotiate such special arrangements among interested countries as seem indicated by the circumstances of individual commodities. Any attempt to reach an agreed solution of a surplus problem through the machinery of the Board shall be undertaken by the Board only when in a specific case both member governments so instruct their representatives.

11. The work of the Board and any of its committees on particular commodities should, as far as possible, be guided so that it can be fitted into any international commodity scheme if this should later be adopted as government policy, whether generally or for particular commodities only.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Mémorandum du Comité tripartite de rédaction

Memorandum by Tripartite Drafting Committee

Washington, November 22, 1944

MEMORANDUM ON THE FUTURE OF THE COMBINED FOOD BOARD AUTHORITY FOR ESTABLISHMENT OF THE BOARD

The Combined Food Board was established in June 1942 by the Governments of the United Kingdom and the United States. The Canadian Government accepted, on October 28th, 1943 an invitation to join the Board. The membership of the Board consists, therefore, of representatives of the U.S.A., the U.K. and Canadian Governments.

The C.F.B. was established:

"in order to coordinate further the prosecution of the war effort by obtaining a planned and expeditious utilization of the food resources of the United Nations."

The duties of the Board were stated to be:

"To consider, investigate, enquire into, and formulate plans with regard to any question in respect of which the Governments of the U.S.A. and the U.K. have, or may have, a common concern, relating to the supply, production, transportation, disposal, allocation or distribution, in or to any part of the world of foods, agricultural materials from which foods are derived, and equipment and non-food materials ancillary to the production of such foods and agricultural materials, and to make recommendations to the Governments of the U.S.A. and the U.K. in respect of any such questions. To work in collaboration with others of the United Nations toward the best utilization of their food resources, and, in collaboration with the interested nation or nations, to formulate plans and recommendations for the development, expansion, purchase or other effective use of their food resources."

It will be observed that the terms of reference for the Combined Food Board are comprehensive, subject to the qualification that its authority relates its operations to the prosecution of the war effort.

FUTURE BASIS OF OPERATIONS

It is agreed:

1. that the existing terms of reference should be amended to the effect that where reference is made to the U.S.A. and U.K. Governments, reference should be made also to the Canadian Government;

2. that the Board shall continue in being for the duration of the war against either Germany or Japan, whichever is the longer, unless it is decided by the member governments represented that any or all of the agreed principles should be terminated or modified earlier. Member governments shall consult in due course to determine whether some of the functions of the Board need to be continued after the termination of hostilities;

3. that the practice shall be continued of adding representatives of other countries to commodity committees of the Board when this appears necessary to ensure that their special position as important producers or consumers is taken into account;

4. that the objectives of the Board should be as follows:

(a) To continue the existing procedure by restricting allocation recommendations and other appropriate measures to cases of (1) items which are in short supply and which are needed for direct war purposes or for the maintenance of essential civilian economies, and (2) items the transportation of which involves so substantial a use of shipping that uncontrolled movements might lead to a considerable uneconomic use of scarce shipping facilities. In deciding upon what items are not in short supply the Board will appraise what would be the estimated supply and demand position after the removal of allocation recommendations. Where the total supply of a commodity exceeds essential requirements but is less than total demands the Board should allocate the available supplies only to the extent necessary to protect the supply needed for direct war purposes or for the maintenance of essential civilian economies.

(b) To transmit to its member governments such information as it may have available with respect to the position of particular food items which are likely to become in burdensome excess supply, in order that each country can establish its position and negotiate such special arrangements among interested countries as may appear necessary. Any attempt to reach an agreed solution of a surplus problem through the machinery of the Board shall be undertaken by the Board only when, in a specific case, each member government so instructs its representative.

(c) To insure that the Board representatives of the several member governments advise the representatives of the other member governments in advance of effecting substantial changes in production or procurement of materials under review by the Board.

(d) To make recommendations for coordinated buying with the object of preventing an undue rise in prices, only in respect of those items that are in short supply and at the same time are necessary for direct war purposes or for the maintenance of essential civilian economies;

5. that the Board establish and maintain closest contact with international organizations, such as the proposed Food and Agriculture Organization, which are concerned with long-term plans in the field of food and agriculture.

[PIÈCE JOINTE 3/ENCLOSURE 3]

Mémorandum du Comité tripartite de rédaction

Memorandum by Tripartite Drafting Committee

Washington, November 22, 1944

MEMORANDUM ON THE FUTURE OF THE COMBINED PRODUCTION AND RESOURCES BOARD

The member governments have considered the nature of industrial and economic problems arising in the period following the defeat of either Germany or Japan. The following represents an appropriate restatement of the functions of the Combined Production and Resources Board, designed to meet the problems which may arise.

The Board shall continue in being for the duration of the war against either Germany or Japan, whichever is the longer, unless it is decided by the member governments represented that any or all of the agreed principles should be terminated or modified earlier. The member governments in due course shall consult together to determine whether some of the functions of the Board will need to be continued after the termination of hostilities.

The practice shall be continued of adding representatives of other countries to the working committees of the Board when this appears necessary to insure that their special position as important producers or consumers is taken into account.

The Board will continue to perform the functions it has hitherto performed, it being understood that in making allocation recommendations, it will confine such recommendations to (1) items which are in short supply and which are needed for direct war purposes or for the maintenance of essential civilian economies, and (2) items the transportation of which involves so substantial a use of shipping that uncontrolled movements might lead to a considerable uneconomic use of scarce shipping facilities.

In order to insure continued collaboration in the utilization of resources during a period of transition from total war to peace the Combined Production and Resources Board also will serve as a forum or focal point for consultation and interchange of information on mutual industrial and economic production problems. Without limitation of the foregoing, specific subjects of interest to the Board in the next phase include the following:

(a) The coordination of U.S., U.K. and Canadian production resources. Mutual exchanges of information and views on this subject will serve to promote a devotion to war production of the resources available to each member country on an equitable basis, and an adjustment of war production programs consistent with the combined interest of the member countries, and the continued satisfaction of war and essential civilian requirements during transitional conditions.

(b) The equitable satisfaction, from a supply standpoint, of essential needs of liberated areas.

(c) An effective utilization of production resources of other United Nations and enemy or neutral countries for direct war purposes and for the maintenance of essential civilian economies, through consultation with non-member countries and other appropriate authorities.

(d) The provision of assistance to the appropriate national agencies in coordinating the disposal abroad of government owned surplus property wherever such coordination is necessary or desirable, and consistent with the national policies of the member governments.

(e) Other problems regarding products likely to become in burdensome excess supply. These problems could advantageously be studied through the statistical and technical facilities of the Board. For this as well as for other purposes, the present procedure of exchange of information should be continued for the life of the Board. Further action in relation to surplus problems shall only be undertaken by the Board when, in a special case, each member government so instructs its representative.

268. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6778 Washington, December 4, 1944

IMMEDIATE. Following for Angus, Begins: With reference to my letter of December 2nd enclosing the November 22nd drafts of the various Papers on the future of the Combined Boards, the United Kingdom representatives in Washington are referring these versions to London and are recommending that they be approved by the United Kingdom Government. At the same time the drafts are being referred to the President's office by the State Department with a similar recommendation. Would you therefore please regard my letter of December 2nd as constituting a formal submission of these Papers to the Canadian Government with a recommendation from the Canadian representatives here that these documents be approved.

2. It is not intended that the memoranda on the individual Boards shall be published; at least not at this time. It is hoped by the United States and the United Kingdom representatives that they will be in a position to approve the issuance of the General Press Release on some date between December 15th and December 20th. We shall let you know in advance the exact date on which the release is planned as soon as the United States and United Kingdom reach a decision. It is hoped that the Canadian Government likewise will be able to indicate its formal concurrence in these documents before the earlier of the two dates mentioned in order that the issuance of the combined release may be made within the dates indicated.

3. Concerning the minor textual changes which the United Kingdom has proposed in the C.R.M.B. draft, I may say that none of the changes is of

significance. I hope to send you a note on the changes in the C.R.M.B. draft during the day but in any case it would seem that your consideration of the documents need not be delayed since our interest in these documents is confined formally to the C.P.R.B. Charter, the C.F.B. Charter and the General Press Release. No changes have been made in these three documents apart from the suggestion that the paragraphs in the C.P.R.B. Charter should be numbered.

4. If there are any points in these memoranda which you might wish to discuss with the Canadian representatives in Washington, I understand that Mr. Bateman is in Ottawa until some time Tuesday and Mr. Paterson is also in Ottawa for a few days. Ends.

269. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6817 Washington, December 6, 1944

Following for Angus, Begins: Our WA-6778 of December 4th, 1944, future of the Combined Boards.

The changes in the C.R.M.B. terms of reference to which I referred in paragraph 3 are indeed minor and amount to little more than proof-reading.

In line 5 of the first inset in paragraph number 1, the word "materials" should be changed to "material."

The bracketed numerals opposite the second and third insets in paragraph 1, should be changed to (I), (II) and the appropriate quotation marks should be provided.

In the last sentence inset (I) the word "Departments" should be replaced by the word "parts."

In line 4 on page 2, the word "have" should replace the word "had" in reference to the liaison arrangements with Canada. Ends.

270. DEA/3265-AS-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4944 Ottawa, December 15, 1944

Following for Pearson from Angus. Your WA-6778 of December 4 and WA-6941 of December 13.†

1. We approve the documents submitted with your letter of December 2, as follows:

Memorandum on the Future of the Combined Raw Materials Board, Memorandum on the Future of the Combined Food Board, Memorandum on the Future of the Combined Production and Resources Board, Press Release on the Future of the Combined Boards.

2. We await advice from you as to any changes in the Press Release and the intended date of release. Ends.

271. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-93 Washington, January 5, 1945

Following for Angus from Pearson. Begins: Your EX-5049 of December 22nd.† Future of the Combined Boards.

1. The United Kingdom has now proposed one further change in these documents in addition to the changes in the proposed press release reported in my letter of December 20th.† This proposed change would eliminate the words "during a period of transition from total war to peace" from the fifth paragraph of the C.P.R.B. Charter dated November 22nd, which I sent you with my letter of December 2nd. London has indicated that, with these changes, the documents would be acceptable.

2. The United States has accepted the proposed revisions in the press release and this change in the text of the C.P.R.B. Charter. The documents are not being referred back to the White House as the changes are regarded by the United States side as inconsequential.

3. In these circumstances it has been proposed that the press release might be issued on January 19. This particular date has the merit of coincidence with a Presidential Press Conference here. The United Kingdom representatives regard this date as feasible but have asked London for confirmation.

4. Could you let me know, therefore, whether all the documents as revised are acceptable to the Canadian Government, and whether the date of January 19th is an acceptable date for the press release.

5. To avoid any possible misunderstanding, we should probably repeat that it is the intention here that only the press release is to be published. The individual Charters are being regarded as confidential documents at this stage.

6. The Charters are, of course, being made available to the operating personnel in the Departments concerned. I understand from some of the Canadian Combined Board people here that they are anxious to have the Charters made available as soon as possible to the operating personnel in the interested Canadian Departments in Ottawa as they have detected an

unfortunate tendency among some of the Operating Divisions in Ottawa to regard the Boards as relatively unimportant organizations which are on the point of folding up. You will probably wish to see that the new Charters are circulated to the Operating Divisions of the various departments concerned with a formal indication that the Boards will function in accordance with these Charters, which have been approved by the three Governments, until the end of the war against both Germany and Japan.

7. Finally, I might add that the State Department has promised to let us have within the next few days specimen copies of the documents, which they are having mimeographed, and we shall send them to you in order that any possible discrepancies between these documents and the documents in your hands might be checked before issuance of the press release. In the meantime, can you let us have your reply to paragraph 4 above. Ends.

272. DEA/3265-AS-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-87 Ottawa, January 8, 1945

Your WA-93, January 5th, future of the Combined Boards.

1. We agree to change in the 5th paragraph of CPRB Charter, namely, deletion of the words "during a period of transition from total war to peace." All documents as revised are acceptable to us.

2. The date of January 19th is acceptable for the press release. Please let us know both the hour for which publication is being authorized and also the time at which the release will be placed in the hands of the press in Washington.

273. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-933 Washington, February 20, 1945

Following for Angus from Pearson, Begins: I am reproducing below memorandum which is self-explanatory. Before any discussions on this subject with the Allies take place, the Combined Boards would like to receive the concurrence of the three Governments in the details of the arrangements proposed in their memorandum. For this purpose a representative of this Embassy will meet shortly with representatives of the State Department, the United Kingdom Embassy, and the Combined Boards concerned, to discuss the

memorandum. Could you let us have your views on the memorandum as soon as possible? Begins:

Statement of Policy of Combined Raw Materials Board
and Combined Production & Resources Board as to
Participation of other United Nations

The Combined Raw Materials Board and the Combined Production and Resources Board desire the cooperation of other United Nations in the responsibilities with which they are charged by their respective member Governments on the economic side of the war effort. This cooperation becomes practicable as more nations are liberated and are in a position to estimate more precisely their essential needs and as they again become important producers or consumers of commodities in short supply.

The instructions from the President and the Prime Ministers of the United Kingdom and Canada[65] direct the Boards to hold themselves ready to develop effective cooperation with the liberated nations. With respect to certain critical commodities, the Boards are already dealing directly with the liberated nations in an attempt to meet their requirements so far as possible. Thus, in hides and leather, textiles, and lead, for example, representatives of other countries have particpated in joint discussions concerned with the distribution of these materials. It is the hope and the plan of the Boards to develop further this participation of other countries in the international distribution of commodities in which such countries have a major consuming interest.

It is also the Boards' hope that as various of the liberated nations again become important producers of commodities in short international supply, these countries will be invited to participate in the deliberations of the Boards' Committees and staffs having to do with such commodities. The Boards also stand ready to consult continuously with other of the United Nations concerning more general problems affecting their interests in either the production or consumption of commodities falling under the jurisdiction of the Boards.

The two Boards have from time to time asked the various liberated countries for information as to their stocks, production, productive facilities, and requirements. Obviously, this information with similar data for the member countries and the other United Nations are necessary so that a complete picture of the supply demand situation will be available to the Boards in recommending the allocation of materials in short supply, and for the consideration where appropriate of the representatives of all the countries participating in the Boards' commodity discussions. Only in this manner can the desired degree of collaboration between all the more important producing and consuming countries be fully realized.

In order to determine how at this time this policy may best be put into practice, having regard on the one hand to the varying interests of the Allies

[65] Annoncées dans un communiqué de presse le 19 janvier 1945.
Announced in press release of January 19, 1945.

and to the importance on the other of not unduly complicating the Boards' operations, the two Boards now propose to hold a round-table meeting with representatives of the Economic Missions of France, Belgium, the Netherlands, Norway and Denmark. At this meeting the methods of operation of the two Boards will be described and the question of association explored in a general way. On the basis of this discussion the Boards will meet with each Ally in turn to consider in more detail the particular fields in which it will be mutually profitable to associate the country concerned in the work of either Board. The possibility of holding regular periodic liaison meetings with the Heads of the Allied Missions will also be considered. Such meetings would enable the Allies to be informed of the continuing work of the Boards on a regular basis and also provide a forum for the discussion of such questions as the Allied representatives may wish to present. Ends.

274. DEA/3265-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-637 Ottawa, February 20, 1945

Following for Pearson from Robertson. Begins: Your WA-933 of February 20th. Co-operation of the Combined Boards with various liberated nations.

The details of the arrangements proposed in a memorandum for associating Governments of various liberated countries with the work of the Combined Boards may receive your concurrence on behalf of the Government of Canada. The arrangements suggested appear to be well adapted to carry out the purposes on which agreement had already been reached. At a time when the difficulties of the liberated nations in obtaining supplies are being constantly emphasized and when their assistance in furnishing supplies is greatly needed, the action proposed by the Combined Boards seems particularly important.

275. DEA/3265-A-40

L'ambassadeur en France au secrétaire d'État aux Affaires extérieures

Ambassador in France to Secretary of State for External Affairs

TELEGRAM 370 Paris, June 13, 1945

SECRET. In recent conversation with British Embassy official, Alphand, Economic Director, Ministry for Foreign Affairs, presented informally French case for membership on Combined Boards which he feels should be reconstituted on a power basis by admitting France and the U.S.S.R. to membership. The Commodity Committee should also include representatives of other countries with special claims to membership of particular Committees. The Boards would then be in a position to make overall recommendations on

distribution of world supplies, and their work would be supplemented by the activities of other regional bodies such as European Economic Committee. Alphand realizes that such a proposal would involve complete change in construction of Combined Boards which have been concerned with organization of supplies in conducting the war against Germany and Japan. He takes view that U.S.S.R. membership might wait until after the defeat of Japan, but that there would be great advantage in getting the Russians to work within the inter-Allied organization. France's claim to membership is justified on following grounds; participation in war with Japan; her strategic position as a base of operations for eastern deployment; importance of French Colonial Empire, and French participation in occupation of Germany.

I would be interested to have your views on likelihood of acceptance of French case.

VANIER

276. DEA/3265-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en France

Secretary of State for External Affairs to Ambassador in France

DESPATCH 477 Ottawa, June 15, 1945

CONFIDENTIAL

Sir,

I have the honour to refer to your telegram No. 370 of June 13th, concerning the future of the Combined Boards. It is interesting to hear of the views of M. Alphand, the Economic Director of the Ministry of Foreign Affairs. His proposals call for drastic changes in the character and purpose of the Boards which are not, in our view, practical or desirable.

2. The Combined Boards began as emergency bodies and, while there has been some discussion as to their continuance, the general opinion is that their activities should be confined to the period of shortages which will follow the conclusion of hostilities.

3. The Canadian view has been that the membership in the Boards and that the membership in their Committees should be enlarged to enable them to perform their functions in the most effective way. For this purpose it is necessary to associate with the Boards the Governments of those countries which are substantial exporters of commodities in short supply. In the case of the Combined Food Board, for instance, even small countries like Iceland may be represented on the Committee on Fish, while Denmark may be represented on the Committee on Dairy Products.

4. It would destroy the character of the Boards if they were composed on a power basis rather than on a functional basis, and any claim which France or Russia may have to membership on the Boards would, in our view, have to be justified on the position of the country in question as a supplier of exported materials. It is considered very important that during a period of shortage

consuming countries should have confidence in the fairness of the Boards and that producing countries should have confidence in the Boards not being used in such a way as to give an advantage to their competitors.

5. There would be two serious difficulties in associating the U.S.S.R. with the work of the Boards. As has already been mentioned, the function of the Boards is likely to be temporary and the importance of the U.S.S.R. as an exporter might not develop until the period of shortages had come to an end. In the second place the work of the Boards requires that they should be in possession of detailed information as to the stocks, production, productive facilities and requirements of the countries with which they are dealing. The U.S.S.R. has not hitherto shown a disposition to supply information of this character.

6. The Boards have given very careful consideration to the continuance of their work, to the ways in which countries which are not at present members can be associated with it, and to the information which must be given in order to maintain confidence in the work of the Boards and to make it possible for this work to be discussed by the representatives of the Governments affected by it.

7. So far as I am aware there is no substantial difference of view between the Governments of the United States, the United Kingdom and Canada on this general question. No formal agreement has, however, been reached and I should appreciate it if you will consider the information contained in this despatch as background material of a confidential character.

I have etc.

J. E. READ
for the Secretary of State
for External Affairs

277. DEA/3265-AS-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, August 15, 1945

At the beginning of this year, the Governments of the United Kingdom, the United States and Canada, agreed to continue the tripartite Combined Boards for the duration of the war against Japan. The Combined Raw Materials Board and the Combined Production and Resources Board will probably be wound up fairly quickly. They cannot, however, be conveniently terminated from the moment the President of the United States proclaims V-J Day. The Combined Food Board, on the other hand, is likely to be very necessary for joint intergovernmental cooperation for the next year or two.

At a preliminary meeting in Washington today between the British and Canadian Embassies and the United States State Department, it was decided

to recommend to their Governments, for approval and immediate issue, the following joint press announcement:

"On January 19th, 1945, the President of the United States and the Prime Ministers of Great Britain and Canada announced their decision to maintain the C.P.R.B., the C.R.M.B. and the C.F.B. until the end of the Japanese war. The three Governments have now decided that these three Boards will continue, for the time being, to operate on the existing basis. They will arrange without delay for a review of the work of each Board with the object of determining the necessity for continuing its operation."[69]

I assume you will have no objection to being associated with this announcement.[70]

278. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5098 Washington, October 3, 1945

Mr. Makins of the British Embassy and Mr. Stone of this Embassy went to the State Department today and received the following memorandum on the question of the future of the Combined Boards, Begins: On August 29th, President Truman announced that the Governments of the United Kingdom, Canada and the United States had jointly decided to continue for the time being the Combined Resources and Production Board, the Combined Raw Materials Board, and the Combined Food Board "to operate on the existing bases in order to ensure that there is no break in combined machinery which is handling various critical supply questions of immediate importance."

It seems appropriate to this Government now to undertake definitive discussions with regard to the future of the Combined Boards. It is, therefore, suggested that conversations on this subject begin as soon as possible. If you agree, this Government will be glad to make the necessary arrangements for the meeting.

In order to expedite the conversations, there is transmitted a copy of a statement on "United States policy during the transition period with respect to short supply items." Ends.

The text of the statement on "United States policy during the transition period with respect to short supply items" follows, Begins:

[69] Un communiqué de presse fut émis le 29 août à Londres, Washington et Ottawa.
A press release was issued on August 29 in London, Washington and Ottawa.

[70] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
None whatever. W. L. M[ACKENZIE] K[ING] 17-8-45.

1. The established foreign economic policy of this Government is to remove all wartime controls of international trade and Government participation in such trade as rapidly as is consistent with the objectives of this Government for an orderly economic transition from war to peace. These objectives include:

A. Prompt conversion of the economies of the world so as to maximize the production of goods and services required for domestic and foreign needs.

B. Stabilization of the general level of prices.

C. Equitable distribution of available supplies.

2. A continuation of some wartime controls may be required if the above objectives are to be attained. Control should be limited to products in global short supply, i.e., those which, in the absence of such control, would be subject to substantial world price increases. Control should be further minimized by limitation to products which are relatively important to stabilization, reconversion or rehabilitation programs. A tentative list of commodities likely to meet these conditions is appended.

3. The following procedure is recommended:

A. A committee should be created for each commodity for which control is continued and should be composed of representatives of the countries which are the principal producers or consumers of such commodity. Where Combined Board committees already exist they should be utilized and appropriately enlarged. These committees should in general exercise the functions now performed by the Combined Boards themselves.

B. The coordination of the American representatives on the committees concerned with food products should be centered in the Department of Agriculture and on other committees in the War Production Board or in such other United States Government agency as may later be established to take over the relevant functions of the agency. These agencies should be charged with the responsibility for consulting with all other interested departments and agencies of this Government on issues arising in the committees. The actions of the representatives of the responsible agencies should conform to the foreign policy of the United States.

C. Each commodity committee should be liquidated as soon as the conditions leading to its establishment, as stated in paragraph 2, have ceased to exist or as soon as it becomes apparent that the price increase which would follow the removal of control is necessary and appropriate to bring about the long term adjustment of supply and demand requisite to the restoration of a competitive market.

D. The Combined Boards as such should be terminated as quickly as practicable and in any case should terminate their functions immediately so far as each commodity is concerned for which a commodity committee is established. However, until the new committees assume responsibility in their respective fields, or whenever the prospective duration of the continued control does not justify or makes impractical the creation of new committees, the Combined Boards should be utilized to perform the necessary functions of control.

4. The effectiveness of the controls contemplated above depends upon the continuation of authority to control imports into the United States, to make public purchases abroad, and to control and to give priority assistance to exports from the United States of the commodities involved. Steps should, therefore, be taken to extend such authority if it should otherwise expire prior to the end of the transition period.

5. For illustrative purposes only a tentative list of products for which controls may be required follows. Such a list may be enlarged or reduced when supply requirements analyses, now almost completed, have been made.

1. Rubber
2. Tin
3. Bovine hides and leather
4. Newsprint
5. Lead
6. Antimony
7. Coal
8. Manila, sisal, henequen, hemp and their manufactures
9. Jute and jute products
10. Fats and oils
11. Sugar
12. Meat
13. Canned and dried fish
14. Food and feed grains and proteins
15. Rice
16. Cocoa. Ends.

Please see my immediately following teletype for comments on the above. Message ends.

279. DEA/3265-AS-40

L'ambassadeur aux État-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5099 Washington, October 3, 1945

Future of the Combined Boards. Reference my immediately preceding teletype.

In handing us the memoranda, the texts of which I gave you in my message under reference, Mr. Wilcox and Mr. Kennedy of the State Department said that the United States Government felt that the Combined Boards as such should be dissolved as soon as possible, but that there would remain certain commodities in respect of which there would be continuing problems, for varying lengths of time, of allocation and control. They, therefore, wished to propose the committee system to handle these problems. They said that their idea was that as soon as a committee was set up in respect of any commodity, the Combined Board, if still in existence, would cease to have responsibility for that commodity and the members of the committee would themselves take

instruction direct from their Governments. Each committee would be attached in Washington to the appropriate department or agency of Government.

The following procedure was proposed as regards the meetings suggested in the first memorandum. The suggestions of the United States Government should be sent to the Canadian and United Kingdom Governments and to the members of the boards in Washington. As soon as the views of the Governments and of the members of the boards are made known to the two Embassies, representatives of the Embassies might meet again with representatives of the State Department to work out a series of meetings in which the problems of each board might be discussed and the future of that board settled in line with the general principles established for the dissolution of the boards.

I am, therefore, sending copies of this message and the texts of the State Department memoranda to Mr. Bateman and Mr. Paterson asking them for an expression of their views and I should be grateful if you would let me have the views of the Government and any instructions which you may see fit to send me. The United States authorities hoped that it might be possible for representatives of the two Embassies and the State Department to meet together again at the latest at the beginning of next week.

280. DEA/3265-AS-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-3595 Ottawa, October 9, 1945

Your teletypes WA-5098 and WA-5099 of October 3rd, future of Combined Boards.

It has not yet been possible to obtain the views of all interested Departments. If you are pressed by the State Department, I feel it safe to tell them that we agree to the holding of discussions as soon as possible. In so far as the dissolution of the Boards is concerned, so long as a control comparable to that exercised by the Boards will continue to be exercised in respect to items in short supply in which we are interested, we are not likely to be particularly concerned as to whether this control is exercised by the Boards or by Committees. We welcome the inclusion of principal producers or consumers on the controlling agency. We have so far obtained the views of only the Wartime Prices and Trade Board on the items on which they would like to see international consultation and (where possible) regulation continued. The items are as follows:

Combined Food Board

All commodities at present under jurisdiction of Committees of the Combined Food Board, but particularly the following:

sugar

edible fats and oils
meats
dairy products

Combined Production and Resources Board

textiles
hides and leather

(I note that textiles was not included in para. 5 of your WA-5098).

Combined Raw Materials Board

The view of WPTB is that, while Canada has not been a member of this Board, Canadians have participated as observers on working groups in Washington and London concerned with the supply of newsprint and other pulp and paper products for liberated areas. If such consultations continue, it appears desirable that some form of Canadian participation should also continue.

If discussions are begun before you hear from us further, it would be well to ensure that our interests in the above Committees are brought to the notice of the United States authorities. Ends.

281. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5234 Washington, October 10, 1945

IMMEDIATE. Following for Dr. G. S. H. Barton, Deputy Minister, Department of Agriculture, Begins: Reference teletypes WA-5098 and WA-5099 regarding future of Combined Boards.

Mr. Paterson reports that at a meeting of the Combined Food Board held on October 8, a memorandum on the subject "Future of the Combined Food Board" was submitted for consideration by the members of the Board and received unanimous approval. The memorandum, which I am quoting herewith in full, was prepared at the request of the members of the Board by a special committee consisting of Dr. D. A. Fitzgerald, United States Deputy Member, Mr. Eric Roll, United Kingdom Deputy Member, and Mr. G. R. Paterson, Canadian Executive Office.

1. The Combined Food Board is to continue its operations without a definite terminal date on the basis of the statement issued by the President and the two Prime Ministers last January.[71] It is, however, agreed that the position will be reviewed on December 31, 1945, and on June 30, 1946, in order to determine

[71]Communiqué de presse du 19 janvier.
Press release of January 19.

whether the Board or any of its functions need to be continued for a further period.

2. It is agreed that the Agricultural and Food Machinery Committee (Joint Committee with the CPRB), the Poultry Products Committee and the Tobacco Committee be abolished forthwith. It is also agreed in regard to coffee (which used to be dealt with by the Coffee, Cocoa and Spices Committee) that no separate committee be established.

3. It is agreed that the following Committees cease to exist on December 31, 1945, unless in the meantime agreement has been reached that any or all of them need to continue for a further period:

Citric and Tartaric Acid
Spices
Essential Oils
Vitamins

In regard to the last named Committee, it is noted that only Vitamin A continues under allocation.

4. It is agreed that the following Committees continue for the time being but that the position be reviewed not later than December 31, 1945, with a view to determing whether any or all of these Committees need to be continued beyond that date:

Meat and Meat Products
Cocoa
Dairy Products
Fishery Products (in respect of dried fish)
Fruits and Vegetables
Pulses
Fertilizers (joint Committee with CRMB)

5. It is agreed that the following Committees continue for the time being but that the position be reviewed not later than June 30, 1946, in order to determine whether any or all of these Committees need to be continued beyond that date:

Oils and Fats
Sugar
Cereals
Feeds
Rice
Tea
Fishery Products (in respect of canned fish)
Seeds (in respect of legumes)

6. Rice. It is agreed that the position has radically changed owing to the opening up of supplying countries as well as with new claimants in the Far East, and it is recognized that the most urgent immediate problem is that of organizing the production and marketing of Far Eastern rice supplies. In order to cope with this situation, it is suggested that the Combined Food Board Committee on Rice shall continue as the authority for recommending allocations but that there be established two Sub-Committees, one situated in London, the other in Washington (or possibly in the field). These Sub-Committees would cover the newly-liberated Far Eastern producing areas as follows:

The London Sub-Committee would be concerned with India, Burma, Siam, French Indo-China and the Netherlands East Indies;

The Washington Sub-Committee would cover the Philippines, Formosa, Korea, Manchuria, China and Japan. These two Sub-Committees shall be concerned primarily with the problems of production and marketing. Their functions will be defined more closely later.

In addition to the above proposal, it is suggested that China be invited to become a member of the Committee on Rice as well as the second of the two Sub-Committees.

7. It is agreed that the general Committees which have hitherto been in existence (area questions, commodity questions and statistics and surveys) need not continue in being as formal Committees provided that the Secretariat of the Board is so organized as to ensure that general questions which cover a number of commodities or which raise issues which cannot be considered by a particular Commodity Committee are dealt with expeditiously. We will submit a separate paper on the organization of the Secretariat.

Comments by Paterson on the above are as follows:

(a) In accepting the dates for review of the position which were proposed by the United States member, Secretary Anderson, the United Kingdom member, Mr. Hutton, and Mr. Paterson did so on the definite understanding that June 30th, 1946, was the earliest date that the United States member had in mind for possible termination of the Board activities.

(b) Under Item 3, it was agreed that, insofar as Vitamin A is concerned, a special report should be made at the earliest opportunity. Mimeographed copies of the above memorandum will be forwarded as soon as available. In the meantime, it would be greatly appreciated if the Canadian position and comments were made known to us at the earliest possible opportunity, in order that we may be prepared to take part in the discussions on the future of the Boards referred to in WA-5098. Ends.

282. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5296 Washington, October 12, 1945

Reference my WA-5098 and WA-5099 regarding the future of the Combined Boards.

Following, for your information, is the text of a letter which Mr. Bateman has sent to Mr. Howe, dated October 10th, on the future of C.P.R.B. and C.R.M.B., Begins: Enclosed you will find copy of a memorandum on the future

of the Boards forwarded to External Affairs from the Embassy.[72] You will probably have received a copy direct from External Affairs before this.

There is also enclosed a copy of a memorandum from the United States side of C.P.R.B. to Batt† recommending the continuation of a Combined Secretariat.

This morning I had a talk with Batt who, since his visit to Ottawa and his talk with you, has had an opportunity of a preliminary discussion with Clayton.[73] Later I saw Self.[74]

I asked Batt as to the feeling on the United States side regarding the recommendation for continuation of the Combined Secretariat and whether or not the State Department paper would preclude the possibility of this recommendation being implemented. Batt states that while Clayton was personally sympathetic to the continuation of some form of combined planning, he would meet with a good deal of opposition from a number of State Department officials. While the State Department paper would not preclude the possibility of the recommendation regarding the Combined Secretariat being discussed, he thought the chances were very heavily on the side of no action being taken. In fact, unless the matter was brought up by the Canadians or the British, he did not think the recommendation would be discussed at all. He expects further discussions with Clayton and with Philip Reed,[75] the latter having been asked by Clayton to get the views of some of the industrialists.

Batt's view is that the Combined Boards, i.e., CRMB and CPRB, should pass out of existence by 31st December. On the United States side he expects that a small international group will be retained which, on a staff level, will discuss or deal with problems that may arise. He visualized the possibility of an informal United Kingdom-United States group which would provide for an exchange of information and which would help to iron out the difficulties and remove the criticisms that arise between the two countries. He is apparently considerably disturbed about the lack of understanding between the two countries and the readiness of each to criticize the other. He considers such a group primarily a matter between the United States and the United Kingdom in which Canada would have no part.

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[72] Voir le document 278.
See Document 278.

[73] Secrétaire d'État adjoint des États-Unis.
Assistant Secretary of State of the United States.

[74] Président adjoint, le Conseil britannique de l'approvisionnement, Washington; représentant du ministre de la Production de Grande-Bretagne sur la Commission composée de la production et des ressources; membre, la Commission composée des matières premières.
Deputy Chairman, British Supply Council, Washington; Deputy for Minister of Production of Great Britain on Combined Production and Resources Board; member, Combined Raw Material Board.

[75] Membre, le Conseil consultatif sur le commerce, département du Commerce des États-Unis; membre, le Comité industriel consultatif, département du Trésor des États-Unis.
Member, Business Advisory Council, Department of Commerce of United States; member, Industrial Advisory Committee, Department of the Treasury of United States.

I told him I thought that in matters of trade and finance, the Canadian-United Kingdom problems would be proportionately as great, if not greater, than those between the United States and the United Kingdom. His reaction was that he should establish between Canada and the United Kingdom an exchange of information similar to that which we visualized as a possibility between the United States and the United Kingdom. I told him that while, of course, there would be a direct contact between Canada and the United Kingdom, because of the importance of our relationship to the two countries, we occupied one point of a triangle, that the discussions between the United States and the United Kingdom might very well have an impact on Canadian economy and that I would not like to see this situation arise without our having an opportunity to sit in as an observer. He seemed to think there would be no particular objections to this. However, it seems to me quite obvious that a very substantial part of the United States thinking has given no consideration to Canada being in the picture after the dissolution of the Combined Boards.

On the British side it is expected that a certain staff will be maintained here until the Combined Boards dissolve and then will be moved over with the British Supply Council where they can still carry on discussions on a staff level. Batt, of course, had discussed with Self the suggestion he made to me regarding some form of combined informal discussions between the United States and the United Kingdom. Self, I think, feels with Batt that this is primarily a United States-United Kingdom matter and that if we were in the picture other Empire countries would also want to participate. Apparently Cripps is quite favourably disposed towards some form of continued collaboration but Self feels that if this developed into more than an interchange of information on trade and industry and matters of that sort, the proposal would meet with a good deal of opposition from the permanent service and would thus duplicate the attitude of the United States.

The general impression I have is that with the dissolution of the Combined Boards, both the United States and the United Kingdom would not be adverse to seeing us pass out of the picture. On the other hand, my feeling is that from the Canadian viewpoint, this would be a mistake.

We cannot obviously force our way in but, on the other hand, if an opportunity does offer to stay in, I think we would be wise to take advantage of it.

In view of this, when it comes to a discussion regarding the future of the Boards, as proposed by the State Department memorandum, I think the only thing we can do is play along except that we might express our appreciation of what has been accomplished through international planning and collaboration and to voice our disappointment that the State Department paper does not visualize a continuation of this collaboration in any form after the problem of shortages has been resolved.

I would like to suggest that you consider the advisability of discussing the matter with Mr. Malcolm MacDonald and telling him of our interest in any form of future collaboration between the United States and the United

Kingdom. This would at least put the United Kingdom on notice of the fact that we are interested in what happens. Ends.

I should be grateful to have at your convenience your further comments to those sent to me in your EX-3595 of October 9th on this matter.[76]

283. DEA/3265-AS-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-5506 Washington, October 25, 1945

Following from Stone, Begins: Reference previous communications concerning the future of the Combined Boards.

I attended a meeting at the State Department this afternoon in the office of the Foreign Economic Adviser. On the State Department side there were present Messrs. Wilcox, Kennedy, O'Donnell; on the British Embassy side, Messrs. Makins and Hall-Patch; and myself from this Embassy.

Mr. Makins and I informed Mr. Wilcox that our two Governments agreed in principle to the proposals put forward by the State Department in respect of the dissolution of C.R.M.B. and C.P.R.B. I spoke, of course, in respect only of C.P.R.B. We also concurred in the memorandum on its own future which the Combined Food Board prepared,[77] the gist of which is that the position of this Board will be reconsidered at the end of this present year and again at the end of June, 1946. It was suggested, and generally agreed, that the provision for reconsideration at the end of June, 1946, would not necessarily preclude an earlier dissolution of the Board in the event that such earlier dissolution might be considered possible following the examination of the position of the Board which will be made at the end of 1945.

As far as the other two Boards are concerned, there was general agreement as to the urgency of setting up the continuing Committees, of determining the membership of these Committees, their location and the nature of the secretariat which will be necessary for their operation. It was further agreed that these were questions which could only be decided in consultation with the members and executive officers of the Boards themselves. These consultations are tentatively set as follows—in respect of C.R.M.B., Saturday, October 27th at 11.30 a.m., in respect of C.P.R.B., Monday, October 29th at 10.00 a.m. The United States will probably be represented at these meetings by Messrs. Batt, White and Whiting from the Boards, with two officials of the Department of State. The United Kingdom representation will be similar.

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[76] Aucun autre commentaire ne fut trouvé.
No further comments were located.

[77] Voir le document 281.
See Document 281.

I have informed Mr. Bateman and Mr. Paterson's office of the above and passed copies of this message to them. Ends.

284. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5980 Washington, November 28, 1945

Our various communications concerning the future of the Combined Boards with particular reference to our despatches No. 2692 of November 17th† and No. 2764 of November 26th.†

As a result of further discussion on November 26th, the United States have abandoned their proposal for the establishment of a coordinating committee to replace the Combined Food Board during the period immediately ahead. The United States side had maintained (without any very explicit supporting argument) that a change in name and a broadening of membership of the central coordinating body, now known as the Combined Food Board, would have important political and psychological advantages. They had suggested certain other reasons for their preference for the coordinating committee arrangement which need not be examined here as you will find them discussed at considerable length in the minutes of the meeting† which will be sent to you as soon as agreement of the United States side to the minutes is secured. Against the principal United States objection to the continuation of the Combined Food Board it had been argued by the United Kingdom and Canadian representatives that there were also imponderable political and psychological benefits in retaining the Combined Food Board and that from an operating point of view changes in the membership of the central body for the relatively short period remaining would make for inefficiency in view particularly of the need for familiarizing new members and their staffs with the techniques developed through close collaboration among the United States, United Kingdom and Canadian members and staffs in the past. The United States side have qualified their acceptance of the United Kingdom and Canadian position by insisting rather firmly that in any public announcement concerning the future of the Combined Food Board [it] should be described as a "supervisory and coordinating mechanism" and that a statement should be included to the effect that "the Combined Food Board itself will be dissolved on June 30th, 1946 or sooner if conditions permit, although a few of the commodity committees may have to be retained beyond that date." We should be inclined to regard the acceptance of these two conditions as a relatively low price for the concessions which the United States side have made. We can see no real objection to the description of the Combined Food Board as a supervisory and coordinating mechanism since that is what the Board is at present in practice. Concerning the proposed terminal date, while we feel that

it is somewhat unrealistic to select a precise date at this time, we consider that little will be lost by accepting the United States proposal since, in the event that some machinery proves necessary after June 30th to coordinate the remaining committees, the United States would probably recognize the need at that time as readily as we would. If, of course, the United States at that time opposed the further continuation of something resembling the Combined Food Board it would scarcely be possible for Canada and the United Kingdom to carry on without the United States. In other words, the most that can be secured at the moment is an extension of the Combined Food Board until June 30th, unless it is decided to terminate its operation earlier and we consider it better to accept this extension than any suggested substitute arrangement. On these points we find the United Kingdom representatives in close agreement with our views.

In my immediately following teletype† I am reporting the draft text of an announcement which it is proposed to make on the future of all three Boards. This draft text is considered acceptable by the representatives of the United States, United Kingdom and Canada who have participated in the informal discussion here. It is proposed that the press release should be made at 10:00 a.m. Washington time, Friday, December 7th, and we have been requested to let the United States and United Kingdom know urgently whether you agree and can clear the announcement within that time limit. It is understood that C.P.R.B. and C.R.M.B. are planning to call a meeting of countries other than neutrals represented on the commodity committees on December 6th in order to explain to them the new arrangements and that this meeting will be arranged as soon as the date of the press release has been confirmed by Ottawa and London.[78] A similar Combined Food Board meeting may be desirable.

I should say that there remain a number of fairly important questions of detail to be discussed (including the propriety of inviting the U.S.S.R. to become a member of those committees for which they have the necessary qualifications on the condition that they assume the same obligations as other members to exchange information, etc.), but it is felt that the agreement on the general public announcement, and even perhaps the issuance of that announcement, need not await the settlement of these various points. I shall be communicating with you on these points whenever they come up for discussion here.

[78]Le communiqué de presse fut émis seulement le 10 décembre après quelques révisions.
The press release was issued only on December 10 after some revisions.

285. DEA/3265-AS-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6052 Washington, December 1, 1945

IMMEDIATE. For action as early as possible Monday morning. Reference my WA-6050, December 1st.[†]

Draft Note to U.S.S.R. Concerning Future of the Combined Boards.

The Soviet Government will be aware that during the period of war emergency the Governments of the United States, the United Kingdom and Canada have endeavoured to secure the equitable distribution and allocation of foodstuffs, raw materials and manufactured products in short supply from their own sources and others to which they have had access through the medium of the Combined Food Board, the Combined Raw Materials Board and the Combined Production and Resources Board in Washington. Each of these Boards has set up a number of sub-committees concerned with particular commodities in short supply. Many countries with a major interest in the commodity concerned have been brought into close association with the work of these committees if their relationship with the Boards has not already been effected in some other way. Thus, for example, under the quadripartite protocol between the United States, U.S.S.R., United Kingdom and Canada any Soviet requests for supplies from sources within the purview of the Boards were sponsored before the Boards by the member country on which the request was placed.

It is the view of the three Governments that the Boards have performed an invaluable role in assembling facts, securing increased production and ensuring efficient distribution of commodities essential to the warmaking capacity and civilian economy of the United Nations. With the termination of the war, however, the time has come to review the work of the Boards and to determine what part of their functions can be considered unnecessary or inappropriate in conditions of peace. The conclusion has been reached that the number of industrial commodities which remain in critical supply and which can be effectively allocated is not such as to justify the maintenance of the Combined Raw Materials Board and the Combined Production and Resources Board after December 31st, 1945, on which date they will accordingly terminate. Difficult supply conditions still persist, however, in rubber, tin, coal, hides, skins and leather, and broad-woven cotton goods and cotton yarn. It is accordingly being proposed by the Boards to the sub-committees concerned with these commodities that they should continue to operate for such further period as may be necessary in the light of supply conditions. As from 1st January, 1946, therefore, it is expected that these five committees will make themselves responsible for the continued allocation of such supplies of the commodities in question as are available to the associated Governments. For

practical reasons, and in view of the temporary character of the arrangements, they will continue to conduct their business in Washington (and London in the case of the London Coal Committee). With the disappearance of the Boards, the responsibility for making procedural arrangements and for adding to their membership any countries which it may be desirable to associate with the arrangements by reason of their interest, whether as major producers or major consumers, in the commodities concerned, will naturally devolve upon the committees themselves.

In the field of agricultural products there remain a much larger number of commodities in critical short supply. These comprise beans and peas, cereals, citric and tartaric acid, cocoa and spices, dairy and poultry products, rice, seeds, sugar, vitamins, tea and fertilizers. In view of the inter-relationship of many of these commodities, it has been thought impracticable to place the committees of the Combined Food Board concerned with them on an independent basis at this stage, and the three member countries have accordingly reached the conclusion that it will be in the interest of all concerned to prolong the life of the Combined Food Board for a further period until 30th June, 1946. It is anticipated that the Board itself will be dissolved on June 30th, 1946, or sooner if conditions permit. After that date any food commodity committees which continue to be necessary for supply reasons will operate independently, as is proposed for the industrial material committees after 1st January. Meanwhile, however, the sub-committees of the Board, with which other countries are already associated as members, will continue the policy of enlarging their membership where this seems desirable.

The Government of the United States in agreement with the Governments of the United Kingdom and Canada have thought it appropriate to explain to the Government of the U.S.S.R. in detail the arrangements proposed for the allocation after the end of 1945 of these particular commodities which remain in short supply. The three Governments would be glad to receive any observations which the Government of the U.S.S.R. may wish to make in connection with the present communication, and to be informed concerning any interest which the Government of the U.S.S.R. may have in the work of these committees.

286. DEA/3265-AS-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4104 Ottawa, December 3, 1945

IMMEDIATE. Further to my teletype of today,[†] regarding future of the Combined Boards, text of the draft note to the U.S.S.R. concerning future of Combined Boards, given in your teletype WA-6052 of December 1st, in satisfactory to us.

287. DEA/3265-AS-40

Extraits d'un télétype de l'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Extracts from Teletype from Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6082 Washington, December 4, 1945

IMMEDIATE. Following for Pierce from Ritchie, Begins: Reference your EX-4103[†] and EX-4104 of December 3rd and our subsequent telephone conversation last evening concerning future of the Combined Boards.

On the draft note to the U.S.S.R., I have indicated to the United States and United Kingdom that the version proposed on Saturday is generally acceptable to the Canadian authorities. The United States authorities have proposed the following minor changes which I mentioned to you on the telephone.

(a) In the penultimate sentence of paragraph 1, the word "has" should be changed to "had", making the final clause read "if their relationship with the Boards had not already been effected..."

(b) In the second sentence of paragraph 3, the words "and poultry" and the words "and vegetables" should be deleted and the word "dried" should be inserted immediately before the word "fruits." I have checked with Lewis of the C.F.B. who confirms that these changes are appropriate.

(c) In the fourth sentence of the third paragraph, the word "itself" is to be deleted after the word "Board."

(d) In the final sentence of the last paragraph of the note, it is proposed that the word "will" be changed to "would", making the sentence read "The three Governments would be glad to receive..."

Apart from these minor textual changes in the note, the United States had suggested a modification of the last sentence to make the invitation to the U.S.S.R. more explicit, but at the same time the United Kingdom had proposed that the invitation should be made even less explicit. In the circumstances, Wilcox of the State Department has indicated that he will attempt to secure United States approval of the original version in the Saturday draft and the United Kingdom representatives here have recommended to London the acceptance of that version.

I shall inform you of any further developments in connection with the language of the note in order that you might have the exact text for transmission to our Embassy in Moscow if you so desire, although I assume from your EX-4104 that you are prepared to have the United States representative make a single presentation on behalf of the three Governments. Ends.

288. DEA/3265-AS-40

Extraits d'un télétype de l'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Extracts from Teletype from Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6136 Washington, December 6, 1945

IMMEDIATE. Following for Pierce from Ritchie, Begins: My WA-6082 and previous teletypes concerning future of the Combined Boards.

A similar change has been made in the note to the U.S.S.R. reported in my WA-6052. In the fifth line of the third paragraph of that note the words "After that date" are to be replaced by the words "After the termination." With this minor change the note is being transmitted by the State Department to the United States Embassy in Moscow for presentation on behalf of the Governments of the United States, United Kingdom and Canada. Ends.

SECTION C

CONFÉRENCE DE QUÉBEC
QUEBEC CONFERENCE

289. W.L.M.K./Vol. 367

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne[79]

Secretary of State for External Affairs to High Commissioner in Great Britain[79]

TELEGRAM 1910 Ottawa, September 11, 1944

CONFIDENTIAL. (To London only: Please pass copies to Vanier, Stone and Dupuy).

For your information President Roosevelt and Mr. Churchill arrive at Quebec today. Conference is expected to be shorter than that of last August and to deal almost wholly with military problems, especially with war against Japan after German defeat and arrangements for military occupation and control of Germany. We understand that neither principal is accompanied by Foreign Office advisers. The physical arrangements resemble those of last year.

2. The Prime Minister's position is that of host. He will participate from time to time in bilateral and tripartite discussions. He is accompanied by the Under-Secretary, Secretary of the Cabinet and General Pope (who has just been appointed his Military Staff Officer, Military Secretary of War Committee

[79] Des télégrammes semblables furent envoyés à toutes les missions à l'étranger.
Similar telegrams were sent to all missions abroad.

and Member of Chiefs of Staff Committee), and Canadian Chiefs of Staff will also be in Quebec. Ministers and officials will attend as occasion arises.

290. DEA/88-B

Mémorandum du secrétaire, le Comité de guerre du Cabinet

Memorandum by Secretary, Cabinet War Committee

TOP SECRET Ottawa, September 18, 1944

THE QUEBEC CONFERENCE, 1944

A second Quebec Conference has come and gone, the success of which has been fully the equal, if it has not surpassed, that which attended the first one held just over a year ago. Indeed, the similarity of the setting, the fact that the principals were the same as in 1943, and that the composition of the delegations had continued practically unchanged during the course of thirteen months, made it difficult at times for an observer to realize that the second Conference was not but a later sitting of the original meeting after a lapse of days instead of months.

2. The circumstances of this year's Conference, however, vastly differed from those which obtained in August, 1943. Then, the Italian Mainland was solidly ranged against us; the odds against a large-scale Allied invasion of Western Europe being undertaken in 1944 ranged, in the minds of certain sections of the Planning Staffs, from evens to three to one against; Japanese divisions stood in occupation of a section of the territory of India, and the whole series of successful United States and Australian operations in the Central, South and Southwest Pacific had hardly yet been begun.

3. Since then, Italy has been forced out of the war and is now seeking the status of a co-belligerent. In Western Europe, the German forces (having undergone further great punishment at the hands of the Russians) have lost a great battle and indeed the war, a fact which they plainly see but yet obstinately refuse to admit, to their ultimate disadvantage. Their Balkan position has crumbled, while their position on the Eastern front is not one from which they can derive much comfort. In Southeast Asia, Japanese forces, larger than any elsewhere engaged by the United Nations, have been thrown back into Burma, while in the Central and South Pacific the Japanese outer ring of defence has been smashed and the re-conquest of the Philippines is obviously about to be put in hand.

4. This great change in the military situation gave a note of confidence to the Conference which was absent a year ago. Indeed, it is to this feeling of victory that the speed with which the business on the agenda was transacted has been attributed. Whatever the principals may have intended, it is clear that on the first day the staffs were by no means sanguine that the Conference could be wound up within five days. Mr. Churchill and the President arrived in Quebec on the morning of Monday, the 11th of September, the Combined Chiefs of Staff met for the first time the following day, and the Conference may be said to have ended with Mr. Roosevelt's departure late on Saturday, the 16th. It

was freely said that when Allies are winning complete accord and unanimity of view are easy of achievement. Possibly this dictum should be taken with a measure of reserve.

5. As was natural, the Conference gave much attention to plans drawn up to bring about the complete defeat of Japan. The Pacific area being under the strategic direction of the United States Joint Chiefs of Staff, the questions at issue were to decide the sequence of the steps that have more or less been planned in Washington to achieve this end, and also how best British Commonwealth forces could play their appropriate parts in these theatres of operations which hitherto, and actually still are United States spheres of responsibility. This latter point was perhaps the most contentious item on the agenda. The British were insistent that they had a score to settle with Japan and that they were determined to do so. They had, they said, a natural right to a seat, or seats, in the very front row and to this distinction they were in no mood to be denied. They eventually gained their point, though not without United States opposition, for it seems clear that as and when the measure of the British contribution of armed forces in the Pacific becomes such as to make it reasonable for them to do so, they may be expected to press that the management of the war against Japan be placed under the strategic direction of the Combined Chiefs of Staff and not left almost entirely within the discretion of the United States, a point which it may be surmised Admiral King[80] had not failed to foresee.

6. So far as the main strategy decided upon is concerned, it may be taken that the weight of operations will be through the Central Pacific, and for some time yet to come under United States operational command. Thus it may be expected that the final assault on Japan proper will be preceded by operations against suitable objectives on the coast of China and against the Island of Formosa. In addition, the re-conquest of the Philippines will be undertaken from the Southwest by General MacArthur, to whom a United States naval task force has been allotted for the purpose.

7. The operations to be carried out by the British cannot be so definitely stated. Apart from naval and air forces to operate in the Pacific under United States operational command, the Southeast Asia Command will undertake such operations as may be necessary to eject the Japanese from Burma and the Malay Peninsula, the first of which may not, in point of time, be long delayed. Thereafter, or perhaps to some extent concurrently, British Army forces based on Northwestern Australia will begin to move northwards, their probable objectives being firstly Borneo, and then the Chinese mainland at or in the general vicinity of Hong Kong. The co-ordination of possible British and United States operations against the Chinese Coast has yet to be arranged.

8. (The expected sequence and timing of operations have been communicated verbally to those principally concerned.)

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[80]Chef des opérations navals des États-Unis.
Chief of Naval Operations of United States.

9. Needless to say, the question of Canadian participation in the Pacific war was also duly discussed but this has elsewhere been recorded.[81]

10. In addition to the grand strategy of the Pacific, major questions of the logistics required to support the proposed operations were also studied. The sea transport of the necessary forces from the European theatre to the Far East is of the first magnitude, and in consequence no easement of the present tight shipping situation is to be expected for a long time to come. For planning purposes the Conference took it that the defeat of Japan would require from 18 months to two years after the cessation of hostilities in Europe.

11. With the end of the war in Europe in clear view there was little down on the Combined Chiefs of Staff Agenda for that theatre of operations. One item only had been included prior to the opening of the Conference and this was the long standing question as to the division of Western Germany into British and United States zones of occupation. This question had long been debated and also deadlocked. In the British view the issue was fundamental. For centuries one of the governing considerations of their foreign policy had been to ensure that no Great Power should occupy the Low Countries lying across the narrow waters of the North Sea. For them the last four years had been perilous in the extreme; in future they were determined that there should be the closest possible association between the United Kingdom and, not only France, but also Belgium, Holland and Denmark. They knew where, in the ultimate analysis, security lay and they were in no mood to give way. If it was well enough, they argued, for the United States to maintain that the security of the Americas required them to establish bases ranging from Iceland to Dakar thousands of miles away, how much more absolute was their need for bases in the lands but a few score miles from their own shores.

12. Nor was the British view held only by the United Kingdom Delegation. It was freely stated that both General Marshall and Admiral King felt that the matter was of no military importance to the United States. Admiral Leahy, influenced no doubt by his experiences during the fairly recent tour of duty in Vichy France was reported to feel otherwise. Indeed, during the past summer there were indications in official communications across the Atlantic that, in the United States view France was for all practical purposes an enemy country.

13. The Combined Chiefs of Staff, having thrashed the question to and fro over several months, judged it to have become purely political in flavour and as such they submitted it for decision without further discussion to their respective principals. It is understood that a solution was found satisfactory to both sides, namely, that the British should occupy Northwest Germany and the United States the Southwest, but that in addition British forces should occupy all that part of Germany lying to the West of the Rhine, thus, together with the allocation of the port of Bremen as a United States base of supply, for all intents and purposes cutting off the latter's area of contact with the French.

[81] Voir le document 399.
See Document 399.

14. There remains only to record that the measure of satisfaction expressed at the Press Conference by Mr. Churchill and the President with the success of the Conference, finds a ready echo in Staff Circles.

M. P[OPE]

PARTIE 3/PART 3
ENTRAÎNEMENT AÉRIEN
AIR TRAINING

291. DEA/72-T-40

Le ministre de la Défense nationale pour l'Air au secrétaire d'État pour l'Air de Grande-Bretagne

Minister of National Defence for Air to Secretary of State for Air of Great Britain

SECRET Ottawa, January 12, 1944

My dear Sir Archibald Sinclair,

I am much concerned with the changes which have been made, are actually in progress, and are under consideration with respect to the Joint Air Training Plan. Changes either in the structure of the Plan itself, or its productive capacity.

Let me say at the outset that insofar as these changes may be considered a prelude to Victory, or an economy in finance and manpower, they are extremely welcome. The manner and method whereby they are brought about, and particularly whereby they are notified to the Managing Partner and Director, and principal financial contributor, namely, Canada, is open to the greatest objection from a Government and an Administrative standpoint. An attached list† of major changes within the past years will, I think, illustrate my point, but it is with respect to the last six months that I believe we have particularly sound grounds for complaint.

During that period we have been pressed on a high Government level, first, for a considerable expansion in the capacity and output of the Plan. Secondly, we had a visit from Mr. Malcolm Laing of A.M.T.[82] Department of the Air Ministry, who worked out, in conjunction with our officers, a detailed schedule of intake and output, of various categories of aircrew. Then, at the Quebec Conference, and in communications received later, grave concern was expressed at the possibility that Canada might fall short of her Aircrew commitments.

Acting on the information and recommendations of the United Kingdom Government, the United Kingdom Liaison Mission and Officers of your Ministry, we planned for an extension of productive capacity and put on an intensive, and may I say, successful aircrew recruiting campaign. The position

[82]Air Member for Training.

now is that we have an ample supply of aircrew to whom as individuals we have promised immediate training, and we have a Training Plan working at peak capacity.

Then, on the 13th of November, the Right Honourable Malcolm MacDonald called on me on his arrival from Great Britain to advise that Air Ministry [had] now decided to close a certain number of Service Flying Training Schools and a corresponding number of Elementary Flying Training Schools.[83] This was followed by an official letter† and aide-mémoire dated November 15th.[84] Later by cable of December 5th,† from our own Headquarters in London, we were advised to hold back a very large number of aircrew who were scheduled to leave for Overseas on the 14th of December, as well as three other sailings scheduled to leave prior to the end of December. On the 11th of December, we were advised officially of the same request by the Right Honourable Malcolm MacDonald. Very naturally, compliance with these requests has occasioned a great deal of dislocation and expense and possibly may have brought about some deterioration in the morale of our personnel.

It has now been intimated to us, entirely unofficially, that within a short time there may be a request for a further curtailment of schools.

As I said at the outset of this letter, we can have no serious objection to such a request. Anything which will conserve our financial resources and save our young men from experiencing the hazards of training and our manpower generally for other purposes, will benefit Canada. But it is imperative that we know in advance what the proposals are and that we be assured that these proposals have been fully considered and decided upon at the highest Government level.

Therefore, while I appreciate that war requirements must of necessity be subject to continual revision, I should like to be given the assurance by you that you are cognizant of this state of affairs and that you are personally satisfied that these changes are essential. Further, I would ask that in future major changes contemplated be subjected to the strictest scrutiny by those concerned to ensure that no modification to the plan is asked that does not fully satisfy the above condition.

Moreover, the almost constant state of re-organization that we are experiencing as a result of these changes is bound, in the long run, to affect the morale and efficiency of the training force and perhaps lessen the quality of the output. It is having a disturbing effect on pupils and on the public at large. I am afraid that this complete reversal of policy with the resultant disbandment of Elementary and Service Flying Training Schools may lead to questions at the next Session of the House of Commons, which will be not only embarrassing but difficult to answer unless I am in a position to assure the House that such changes were absolutely unavoidable and essential to the successful prosecution of the war.

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[83]Voir le document 270.
See Document 270.
[84]Document 271.

I would appreciate very much receiving a reply at your very earliest convenience, so that I may be in possession of such information as is necessary to explain a state of affairs that even to the Service is difficult to understand.

Yours very sincerely,

CHARLES G. POWER

292. DEA/72-T-38

Le haut commissaire adjoint de Grande-Bretagne au ministre de la Défense nationale pour l'Air

Deputy High Commissioner of Great Britain to Minister of National Defence for Air

516X/604 Ottawa, January 12, 1944

SECRET

Dear Major Power,

You may recall that when the High Commissioner discussed with you the proposals for reduction in Air Training capacity in Canada (contained in the Aide-Mémoire which he communicated to you on 15th November), he expressed the personal view that these proposals would probably turn out to be only preliminary to a wider programme for greater reduction later on.

We have now been informed by the authorities in London that at a meeting of the Empire Air Training Scheme Committee held on 31st December which was attended by Air Marshal Breadner, some further consideration was given to possible future developments.

It was explained at the meeting that the United Kingdom authorities had given much thought to the problem which would arise in the transition from the first stage of the war to the second stage. It was pointed out that once Germany had been defeated, much fewer aircrews would be needed, because even if the total air forces were not then substantially reduced, much of them would be located in Europe where battle wastage would not be incurred. It was further pointed out that, as it takes about 18 months to train aircrews, it was desirable to plan that far ahead. Accordingly, if and when it became possible to assume that the war with Germany would end in 18 months' time, immediate steps would have to be taken to effect the progressive reduction in training capacity. The view was expressed at the meeting that, in the near future, we should probably have to make assumptions about the date of the defeat of Germany and adapt our plans accordingly. Otherwise, there would be a risk of large numbers of surplus aircrews completing training after the war with Germany was ended.

Reference was also made at the meeting to the shortage of manpower and to the extravagance in manpower in maintaining training capacity in excess of that needed to meet the requirements forecast for 18 months ahead.

The whole problem is under very active consideration with a view to deciding before the forthcoming Ottawa Conference on what assumptions future training plans should be based; but the United Kingdom authorities felt that you should be aware of the trend of the above discussion, although in fact it does little more than amplify what the High Commissioner has already intimated to you namely, that the reduction in training capacity already effected is likely to be only a preliminary to a wider programme of reduction which would have to be embarked upon later when the war situation became sufficiently favourable. They have asked me to assure you that you will be given the earliest possible intimation of any definite proposal for the further reduction of the training organizations in Canada, and that the plans for effecting any reductions would be worked out in full cooperation and consultation with the Canadian authorities and all the other partners in the Air Training Scheme.

Yours sincerely,

PATRICK DUFF

293. DND/Vol. 5253

Le ministre de la Défense nationale pour l'Air au haut commissaire adjoint de Grande-Bretagne

Minister of National Defence for Air to Deputy High Commissioner of Great Britain

SECRET Ottawa, January 15, 1944

Dear Sir Patrick [Duff],

Many thanks for your letter of 12th of January which has crossed one of mine which I sent on much the same subject to Sir Archibald Sinclair. The information you have given me is most useful and I am grateful for this early advice.

I note with interest that the Air Ministry agree that it will be necessary in the near future to make an assumption about the date of the defeat of Germany and adjust training plans accordingly. This problem has been very much in my mind, especially as in our experience the total elapsed time from the date of enlistment to final acceptance in a squadron, due to congestion caused by over-production of trained aircrew, has been in excess of the eighteen months mentioned by Air Ministry. To this eighteen months or more must also be added the period of pre-aircrew training in Canada after enlistment in the Royal Canadian Air Force and prior to actual air training, due, as you are aware, to our need to ensure not only an adequate educational standard but also a pool of training material for the plan. Thus, at moment of writing, there is in Canada a supply of pre-I.T.S.[85] stage R.C.A.F. aircrew material amounting to normal intakes to the training machine of four months, i.e. 11,167 (R.C.A.F.). If, therefore, we are to avoid an excess of trained

[85] Initial Training School.

aircrew after the collapse of Germany, with consequent lack of air employment, discontent, etc., I think it is important that the assumption referred to above should be taken at once and not deferred until the forthcoming Air Training Conference which may or may not be held in March.

It would seem reasonable, therefore, that as the administrator of the Plan, Canada should take the initiative and proceed immediately with an interim reduction of training facilities up to, but not exceeding say 25%, leaving such further adjustments to be made when the ultimate figure has been decided upon by the Air Ministry in consultation with all partners in the Plan. This would have the beneficial effect of avoiding the sudden and drastic reduction of 40% foreshadowed as likely, and would permit us to take immediate steps to curtail enlistment of aircrew material which may ultimately prove an embarrassment.

Since these considerations also have an effect on the budget, it is desirable that our plans in this connection should enable me to make a reasonable forecast of the number of training establishments we will require during the financial year 1944-45 and to present a fairly stable figure to my colleagues. You will appreciate that the final budget figures must be presented within about a month's time, and should reflect such reductions in the B.C.A.T.P. as it may be possible to decide upon.

In addition you informed me in a recent letter[86] that due to the shortage of manpower in England it was very desirable to recall to England R.A.F. training establishments in Canada so as to provide much needed ground crews. My proposal to reduce the J.A.T.P. immediately by 25% would accomplish this very thing as it would obviously be expedient to make the reduction as far as possible by closing R.A.F. establishments in Canada and returning the personnel to England at an early date. It is in my mind that adjustments between R.A.F. and R.C.A.F. trainees in the B.C.A.T.P. could be made on the broad basis of entering into the B.C.A.T.P. schools in Canada 50% R.C.A.F. and 50% R.A.F., (the latter figure to include Australia, New Zealand trainees and Foreign Nationals).

It seems probable also that as a result of the saving in man power effected by this proposed reduction of 25% of the training organization R.C.A.F. personnel can be used to man certain O.T.U.s in Canada now staffed by R.A.F. personnel, the latter being returned to England to make good shortages there.

I will be glad if you will be so good as to transmit my suggestions in this connection to the Air Ministry and to request a very early reply as time obviously is pressing.

Yours sincerely,

C. G. POWER

[86] Voir le document 271.
See Document 271.

294. C.G.P./Vol. 56

Le secrétaire d'État pour l'Air de Grande-Bretagne au ministre de la Défense nationale pour l'Air

Secretary of State for Air of Great Britain to Minister of National Defence for Air

SECRET London, January 29, 1944

Dear Mr. Power,

I am grateful to you for your letters of 12th and 15th January about changes in training requirements affecting the Joint Air Training Plan in Canada and I am indeed sorry that you should feel that you have cause for complaint about the way in which such changes have been brought to your notice. I am all the more pleased, therefore, to gather from your letter of 15th January that you are satisfied with the information which has been conveyed to you by our High Commissioner in Canada about the further changes now in contemplation.

The frequent and sometimes sudden changes in our training programme which have had to be made from time to time, have been forced on us by the march of events. The strategical and political situation changes rapidly and calls for frequent adjustments in the composition and distribution of our operational squadrons and these, in turn, react on the rate and the composition of our aircrew casualities.

Moreover, in the light of operational experience, many changes have had to be made in the manning of our squadrons, particularly the Bomber Squadrons. For example, as you will well remember, the decision to carry only one pilot in the heavy bombers caused a serious dislocation of the training programme.

For a variety of reasons, therefore, the planning of our flying training has been a very difficult and complicated task; and although I do not doubt that we have made mistakes, you will, I am sure, realise that in all that we have done we, like you, have had one object and one object only in view, namely to provide the Operational Commanders with the best possible aircrews in the right numbers and at the right times.

I am glad that you so readily accepted my offer that Harold Balfour and our Air Member for Training (Air Marshal Drummond) should go to Ottawa and discuss these and other matters with you round the table. They are leaving tonight. There is therefore no need for me to enter into further detail in this letter, which Balfour will deliver to you.

But I want to tell you how grateful my colleagues and I on the Air Council are to you personally and to the R.C.A.F. for the truly magnificent way in which you have responded to the many calls we have had to make upon you. The Joint Air Training Plan will always stand out as one of the best conceived and most efficiently executed measures for winning the war and it would be

difficult to exaggerate the debt we owe to the "Managing Partner and Director."

Yours sincerely,

ARCHIBALD SINCLAIR

295. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, February 9, 1944

...

COMMONWEALTH AIR TRAINING PLAN; PROGRESS OF CONVERSATIONS WITH U.K. REPRESENTATIVES

7. THE MINISTER OF NATIONAL DEFENCE FOR AIR reported upon the progress of discussions with the U.K. Parliamentary Under-Secretary of State for Air and other U.K. Air representatives.

In connection with revision of over-all aircrew training requirements, the U.K. representatives had advanced as a basis for consideration a proposal which involved important policy decisions as to the nature and extent of Canadian participation in the air war against Japan. The United Kingdom suggested that in planning over-all reduction of the Air Training Plan, in anticipation of the defeat of Germany, it should be assumed that Canada would contribute squadrons and aircrew for the Japanese war, in the policing of Europe, and in ancillary air services, in the same over-all proportions to the total force, as at present. A further important assumption was that R.C.A.F. squadrons would serve with British and Allied Air Forces in the south-east Asia theatre.

8. MR. POWER submitted a draft statement of Canadian policy in respect to continuation of the Air Training Plan after March 1st, 1945. This was proposed as the basis for a statement to be communicated to the U.K. government through Captain Balfour.

The draft statement was to the following effect:

In the policing of Europe and in the Japanese war, Canada's contribution would be on the basis of a definite, as opposed to the present unlimited commitment. The process of demobilization must begin immediately upon the conclusion of the war with Germany and must be related to the policy determined by the Canadian government as to Canadian participation in the air war against Japan.

In this connection it might be advisable for Canada to participate in the Japanese war in closer co-operation with U.S. forces. If this were so, it would involve the unscrambling of R.C.A.F. personnel from the R.A.F., following the defeat of Germany, and the immediate preparation of plans for the return of R.C.A.F. personnel for regrouping in Canadian units and formations.

The Commonwealth Air Training Plan should be continued after March 31st, 1945, on the basis suggested by the United Kingdom, that is, a forty percent reduction in over-all training capacity. The objective of the Canadian government, however, should be to have at their disposal, following the conclusion of the German war, a fully integrated Canadian Air Force available for service in whatever theatre the government might decide that it could most usefully be employed.

(Minister's memorandum, Feb. 9, 1944).*

9. THE WAR COMMITTEE, after discussion, agreed:

(a) that the statement submitted by the Minister of National Defence for Air be approved in principle as a preliminary statement of government policy in respect of the organization and employment of the R.C.A.F. in the period following the conclusion of hostilities with Germany, and as a basis for the revision of the Commonwealth Air Training Plan; and

(b) that, upon revision by the Minister and the Secretary, in consultation with the Under-Secretary of State for External Affairs and approval by the Prime Minister, the draft statement be communicated to the U.K. government.

...

296. DEA/68-Cs

Le ministre de la Défense nationale pour l'Air au sous-secrétaire d'État pour l'Air de Grande-Bretagne

Minister of National Defence for Air to Under-Secretary of State for Air of Great Britain

SECRET AND PERSONAL Ottawa, February 10, 1944

Dear Captain Balfour,

I am availing myself of your presence in Ottawa to hand you herewith a copy of an Aide-Mémoire of February the 10th, arising out of our discussions concerning the Commonwealth Air Training Plan. The contents of this document have been approved by the War Committee of the Cabinet as a preliminary statement of government policy.

I need hardly emphasize the high degree of importance and urgency which the Canadian government attach to this statement of policy.

Yours very sincerely,

C. G. POWER

[PIÈCE JOINTE/ENCLOSURE]

Aide-mémoire du ministre de la Défense nationale pour l'Air

Aide-Mémoire by Minister of National Defence for Air

MOST SECRET Ottawa, February 10, 1944

Canada, which is making a full contribution towards the defeat of Germany, must now, on the assumption that Germany will be defeated before Japan, consider the position with respect to the Canadian contribution to the United Nations Forces in the war against Japan and in the occupation of enemy territories in Europe.

The Canadian government has been considering what should be its appropriate part in both these phases. It is of the opinion that the nature and extent of Canadian participation should be defined in advance, with as much clarity as possible.

Against Germany, Canada has been using all her strength. After Germany has been disposed of, the greatest emergency will be over, but heavy fighting will still have to be done in the Far East and much time may pass before a stable European settlement is achieved.

In the policing of Europe, any contribution by Canada would have to be carefully defined after consultation with other United Nations.

It is recognized by United States and United Kingdom strategic authorities that, in the war against Japan, physical conditions make impracticable deployment of the total manpower presently engaged in the forces of the United Nations. This being so, the Canadian government must now give careful consideration to the nature and extent of Canadian participation. The Canadian commitment must be determined in the light of such factors, amongst others, as Canada's place as a Pacific nation, her membership in the Commonwealth, and her close friendship and common interest with the United States, as well as her interest in completing the destruction of the Axis by the overthrow of Japan.

Any plans for the final campaign against Japan, which may involve the use of Canadian forces, should accordingly take account of the following amongst other factors: the deployment from Canadian bases of some part of the Canadian forces; the importance which the northwestern route to Asia, across Canada, may assume in the later stages of the war; the defence of the Canadian Pacific Coast; questions of supply and equipment. These and other related considerations may render it advisable for Canada to play her part in the Japanese war in very close co-operation with the United States, at any rate in certain operational areas.

The demobilization problem, which must necessarily involve the unscrambling of R.C.A.F. personnel from R.A.F. units, cannot be readily solved unless it is understood that after the German war is over R.C.A.F. personnel, who are presently attached to the R.A.F., will at once become effectively and unconditionally at the disposal of the Canadian government.

For all these reasons, plans should be put in hand forthwith to provide that, after the defeat of Germany, all R.C.A.F. personnel will be regrouped into Canadian units or formations.

The Canadian government is prepared to agree to the Commonwealth Air Training Plan being continued, as at present constituted, after March 1st, 1945, on the basis suggested by the United Kingdom government, namely, a 40% reduction in over-all training capacity. In so far as Canadian aircrew are concerned, however, the Canadian government feel that training should be so ordered that Canada will have at her disposal, after the period of deployment on the termination of the German war, a fully integrated Canadian Air Force available for service wherever the Canadian government may decide that it can be most usefully employed in the interests of Canada, of the Commonwealth, and of the United Nations.

C. G. P[OWER]

297. DND/Vol. 5390

Le ministre de la Défense nationale pour l'Air au secrétaire d'État pour l'Air de Grande-Bretagne

Minister of National Defence for Air to Secretary of State for Air of Great Britain

TELEGRAM X130 C. 2135 Ottawa, February 16, 1944

IMPORTANT. Personal from Power to Sinclair.

Re Conferences held during the past week between Captain Balfour and myself, I feel it my agreeable duty to advise you that during the whole course of our conferences and discussions, Balfour showed not only a very thorough grasp of all the subjects but a willingness to see the Canadian point of view and made every endeavour to meet us. There were differences of opinion but due to his tact and diplomacy, it was possible to iron them out and achieve an agreement which will be unusually satisfactory to both parties. I am convinced that the decisions reached will be most helpful in increasing the morale of our forces, in encouraging them in their co-operation with yours and will be further evidence of the strength of our common purpose to defeat the common enemy. I much appreciate your thoughtfulness in sending Captain Balfour, Air Marshal Sir Peter Drummond, Mr. Howard and Mr. Laing over at this time. The general effect of their trip was to render unnecessary the holding of a large formal conference.

298. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, February 22, 1944

...

BRITISH COMMONWEALTH AIR TRAINING PLAN;
AGREEMENT WITH U.K. GOVERNMENT

27. THE MINISTER OF NATIONAL DEFENCE FOR AIR reported that, as forecast in his report to the War Committee on February 9th, an Agreement with the U.K. government had been signed on February 16th, providing for a forty percent overall reduction in the output of the Training Plan by March 1st, 1945.[87]

In order to provide a working basis for planning this reduction in training output, it had been necessary to assume that the R.C.A.F. would be manning a certain number of squadrons after March 1945. For purposes of the Agreement this number had been fixed at ninety-three. Detailed arrangements for reductions in training intake were set out in Appendix "A" to the Agreement.[+]

Appendix "A" also set out "assumed forces to be deployed in the post-1945 war" and included 47 Canadian squadrons to the South East Asia Command, 26 to Europe and lines of communication and 20 to transport. This provisional allocation had been set down solely for the purpose of providing a necessary working basis for planning reduction in the training programme, without any commitment, and this had been made clear to U.K. representatives. Nevertheless it had been suggested that specific reference to numbers of squadrons and nature and theatres of employment might, in fact, lead to commitments as to the extent and nature of Canadian participation in the air war against Japan, and in the policing of Europe.

28. THE SECRETARY suggested that, if plans for the war against Japan and the policing of Europe proceeded to any extent on the basis of the allocation of R.C.A.F. squadrons set out in the Appendix, it might be difficult, perhaps impossible, at a later stage for the government to make other dispositions for the employment of the R.C.A.F.

Accordingly, it would be expedient to inform the U.K. government that the provisions of the Agreement for reduction of the Training Plan in no way detracted from the statement of policy contained in the Aide Mémoire handed to Mr. Balfour, that so far as theatres of operations or numbers of squadrons to be employed after the German war were concerned, no weight whatever could be put upon the provisional designation set out in Appendix "A" and that the Canadian government intend, after the period of deployment or [on?] the termination of the German war, to exercise effective control of all R.C.A.F. personnel.

29. THE WAR COMMITTEE, after further discussion, approved signature by the Minister of National Defence for Air of the Agreement with the U.K. government, providing for the reduction of the Commonwealth Air Training Plan, subject to the despatch to the U.K. government, of a communication along the lines suggested by the Secretary.

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[87] Voir C. P. Stacey, *Armes, hommes et gouvernements: Les politiques de guerre du Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 636-9.
See C. P. Stacey, *Arms, Men and Governments: The War Policies of Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 580-3

299. W.L.M.K./Vol. 364

Le Premier ministre au haut commissaire de Grande-Bretagne

Prime Minister to High Commissioner of Great Britain

SECRET Ottawa, February 25, 1944

Dear Mr. MacDonald,

You are aware that, on February the 10th, the Minister of National Defence for Air handed to the Parliamentary Under-Secretary of State for Air of the United Kingdom an Aide Mémoire containing a statement of Canadian government policy upon certain important points arising out of the recent discussions between our two governments regarding the Commonwealth Air Training Plan.

You will recall that the Aide Mémoire had reference to the position of the Royal Canadian Air Force after the defeat of Germany, and that, after drawing attention to the special factors which would affect the nature and extent of Canadian participation in the war against Japan, it expressed the willingness of the Canadian government to "agree to the Commonwealth Air Training Plan being continued as at present constituted, after March 1st, 1945, on the basis suggested by the United Kingdom government, namely, a 40 percent reduction in overall training capacity", and then went on to state the following qualification:

"In so far as Canadian aircrew are concerned, however, the Canadian government feel that training should be so ordered that Canada will have at her disposal, after the period of deployment on the termination of the German war, a fully integrated Canadian Air Force available for service wherever the Canadian government may decide that it can be most usefully employed in the interests of Canada, of the Commonwealth, and of the United Nations."

The Agreement signed, on February 16th, by Mr. Balfour and Mr. Power, on behalf of their respective governments, contains, in paragraph 1, a statement that the parties have accepted "certain assumptions for planning purposes", and Appendix "A" to the Agreement, establishing detailed arrangements for reductions in training, sets out the "assumed forces to be deployed in the post-1945 war" and a provisional allocation of ninety-three R.C.A.F. squadrons distributed between the Southeast Asia Command, Europe and lines of communication, and transport.

It was, I know, made clear to United Kingdom representatives at the discussions leading up to the signature of the Agreement that, for the reasons set out in the Aide Mémoire, the assumptions referred to could not be taken as implying any commitment on the part of the Canadian government as to the extent or nature of Canadian participation in the policing of Europe, or in the war against Japan. It is also recognized that the numbers and types of squadrons and theatres of operations mentioned in the Appendix are purely provisional and were inserted solely for planning purposes. Nevertheless, the

Canadian government wish to avoid any possibility of misunderstanding which might arise in the future from the wording of the Agreement and, particularly, of its Appendix "A."

The War Committee of the Cabinet have approved signature by the Minister of National Defence for Air of the Agreement with the United Kingdom government on the understanding that nothing in the Agreement or the Appendix should be taken as modifying the statement of policy set out in the Aide Mémoire.

I should be grateful, therefore, if you would bring this communication to the immediate attention of the United Kingdom government, in order that, in planning future training and the disposition of squadrons at the end of the German war, they may be under no misapprehension as to the Canadian government's intentions in these particulars.

Yours sincerely,

W. L. MACKENZIE KING

300. W.L.M.K./Vol. 359

Le haut commissaire adjoint de Grande-Bretagne au Premier ministre

Deputy High Commissioner of Great Britain to Prime Minister

516X/634 Ottawa, March 14, 1944

SECRET

My dear Prime Minister,

May I advert to your letter of February 25th in connection with the Aide Mémoire handed to the Parliamentary Under-Secretary of State for Air of the United Kingdom upon certain points arising out of the recent discussions regarding the Commonwealth Air Training Plan.

Your letter was brought to the immediate attention of the United Kingdom Government and I have now, in the absence of the High Commissioner, been asked to assure you that the assumptions embodied in the Agreement signed on February 16th were made for planning purposes only and are understood as not intended to commit Canada in any way as regards scale of her participation in the Japanese war or in the policing of Europe.

Yours sincerely,

PATRICK DUFF

301. DEA/72-T-38

Le ministre de la Défense nationale pour l'Air au sous-secrétaire d'État aux Affaires extérieures

Minister of National Defence for Air to Under-Secretary of State for External Affairs

Ottawa, October 16, 1944

My dear Mr. Robertson,

I am sending you by hand a copy of a letter which I have today sent to the Rt. Honourable Malcolm MacDonald. The letter explains itself, but the background is this.

Air Ministry has known for some time that they have a large surplus of aircrew, over sixty thousand R.A.F. alone. Canada is producing for R.A.F. and for itself, yet we have been and are being asked up to this moment to carry out under the Agreement a gigantic plan expensive in money and manpower, with some fifteen thousand Canadians actually going through the process, none of whom may ever be needed either by R.A.F. or ourselves.

Air Ministry have shown to my officers, at least three weeks ago, copies of cables addressed to me indicating that they advise that the Air Training Plan be cut to practically nothing, yet Malcolm MacDonald has never received this communication for transmission to me.

I have deliberately avoided writing in the name of the Government of Canada in order to save you embarrassment, and have confined the issue to one between Air Ministry and my Department.

Yours very sincerely,
CHARLES G. POWER

[PIÈCE JOINTE/ENCLOSURE]

Le ministre de la Defénse nationale pour l'Air au haut commissaire de Grande-Bretagne

Minister of National Defence for Air to High Commissioner of Great Britain

Ottawa, October 16, 1944

My dear Mr. MacDonald,

Under the terms of Article XIV of the Joint Air Training Plan Agreement of December 1939, repeated in substance in Article XXII of the amending agreement of June 1942,[88] all aircrew output of the Plan above Home War

[88] Voir C. P. Stacey, *Armes, hommes et gouvernements: Les politiques de guerre du Canada, 1939-1945*. Ottawa, Information Canada, 1970, pages 597 et 622-3.
See C. P. Stacey, *Arms, Men and Governments: The War Policies of Canada, 1939-1945*. Ottawa, Information Canada, 1970, pages 543 and 567.

squadron requirements were to be available for service with the Royal Air Force.

This is a bilateral undertaking involving bilateral obligations. Canada's obligation to produce aircrews. United Kingdom's obligation to receive them.

The present Agreement expires on March 31st, 1945. Under the terms of the agreement many thousands of Canadian aircrew have been placed at the disposal of the R.A.F.

(1) Within the past few days, there have come from Air Ministry cancellations and suspensions of sailings involving many hundreds of Canadian aircrew output just on the point of embarkation.

(2) I learn from unofficial but authentic sources that it is the intention of the Air Ministry, even before the termination of the agreement on March 31st, 1945, to propose either to cancel its commitment to receive the Canadian output of aircrew or to indicate that its requirements will be reduced to a mere trickle.

(3) Unofficial but authentic reports now indicate that there are thousands of aircrew graduates surplus to requirements and that this has been known to Air Ministry for a considerable time, yet Canada, having received no official confirmation of that fact, has been allowed to continue the operation of the machinery of the Joint Air Training Plan, thereby aggravating the situation both for R.A.F. and R.C.A.F. by adding to this already onerous and expensive over-production.

(4) I suggest in all sincerity that even after making allowances for the exigencies of war operations, it would have been an act of elementary courtesy to a partner, which has fulfilled all its obligations, for Air Ministry to have formally notified the Department of National Defence for Air in Canada that such enormous surpluses of aircrew existed.

(5) Such early notification would have permitted this Department to effect substantial savings in finance and manpower.

(6) Will you be good enough to ascertain from Air Ministry at once and definitely and in detail just what are its present and future requirements in aircrew up to the date of termination of the Plan on March 31st, 1945. This in order that this Department may make such financial and manpower arrangements as will permit it to, on the one hand fulfill its obligations to the United Kingdom under the Agreement, and on the other, take such steps in the way of curtailment of aircrew output as may be necessary or desirable.

Since this matter of finance and manpower is an urgent one with us, I would appreciate it if you would cable Air Ministry for a reply.

Yours very sincerely,

CHARLES G. POWER

302. DND/Vol. 5253

Le secrétaire principal, haut commissariat de Grande-Bretagne au ministre de la Defénse nationale pour l'Air

Senior Secretary, High Commission of Great Britain, to Minister of National Defence for Air

516X/608 Ottawa, October 16, 1944

TOP SECRET

Dear Major Power,

The High Commissioner is away today on a visit to Boston, but before leaving he asked me to let you know that he has just received a communication from the Secretary of State for Dominion Affairs proposing further reductions in the aircrew training organization. I understand that Captain Balfour, during his recent visit, foreshadowed further reductions in the organization in Canada and at that time indicated that reduction was likely to be at least 10 percent.

The Air Ministry have been endeavouring to arrive at a reasonably firm estimate of the further reductions necessary but they are not yet in a position to reach final decisions as the size and composition of the Force for the post-German phase of the war has not yet been agreed. In the meantime, the general course of the war and the planning assumptions which have been made in regard to the dates of the termination of the war with Germany and of the war with Japan render it essential that substantial reductions should be made in the aircrew training organization as a whole and it would be inadvisable to delay reductions until the ultimate requirements in detail have been worked out.

I enclose herewith for your information a memorandum on the further reductions now proposed in the Canadian training organization.† The High Commissioner was anxious that you should see this at once, but he will be back tomorrow and will be available to discuss the matter with you and to offer any further explanation.

The Air Ministry have mentioned in this connection that in the course of your discussions with Captain Balfour it was agreed that the Chief of Staff should pay a visit to the United Kingdom in order to discuss further reductions in the training organization. The Air Ministry mentions that they would like this visit to take place as soon as possible after the Canadian authorities have had an opportunity to examine the proposals which are made for further reductions.

Yours sincerely,

J. J. GARNER

303. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET Ottawa, October 19, 1944

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B.C.A.T.P.; FINANCIAL ARRANGEMENTS

10. THE MINISTER OF NATIONAL DEFENCE FOR AIR submitted a letter which he had addressed to the Minister of Finance containing certain recommendations for settlement with the U.K. government on expiry of the current Air Training Agreement, March 31, 1945, and for subsequent financial arrangements. Copies had been circulated.

Under the original agreement, it had been provided that obligations, costs and residual assets, other than defence articles supplied by the United Kingdom and obtained under Lease-Lend, be apportioned between the participants as follows:

Canada 50%
United Kingdom 45%
Australia 3%
New Zealand 2%

Disposal of residual assets would be a lengthy and complicated process that might delay final settlement for a number of years. Accordingly, it was proposed that the United Kingdom waive all interest in residual assets and be relieved of all costs of disposal of these assets subsequent to March 31st, 1945, subject to the qualification that the United Kingdom be given the right to receive, free of cost, any assets declared surplus, subject to cost of packing and transportation. In return, the United Kingdom should be relieved of liability to pay its share of outstanding obligations as of March 31st, 1945, and might, also, be relieved of liability for costs involved in winding up the B.C.A.T.P. subsequent to that date.

It was also suggested that Canada should not assume any financial obligation in respect of disposal of assets paid for in the United Kingdom and should, at the conclusion of hostilities, waive any interest in residual value of assets purchased for squadrons, reserve stocks and pipeline supplies. The cost of advanced training in the United Kingdom of aircrew replacements for the R.C.A.F. overseas squadrons might also be considered as offset by the cost of training R.A.F. pupils in Canada during 1945-46.

The whole situation had been discussed fully in London with the Air Ministry, and the proposals outlined in the letter to Mr. Ilsley should now be the subject of consultation with officials of the Department of Finance before being dealt with by the War Committee.

(Letter, Minister to Minister of Finance, Oct. 17, 1944, and enclosures—C.W.C. document 886).†

11. THE WAR COMMITTEE, after discussion, agreed that these proposals be referred to the Deputy Minister of Finance for consideration and consultation with officials of the Department of National Defence for Air, and report.

B.C.A.T.P.; PLANNED REDUCTIONS IN TRAINING; DISPOSITION OF SURPLUS AIRCREW

12. THE MINISTER OF NATIONAL DEFENCE FOR AIR observed that the present Air Training Agreement of the B.C.A.T.P. would expire on March 31st, 1945.

Unofficial but authentic information had now been received that the Air Ministry intended, before that date, to take action which entailed such drastic reduction of air training in Canada as to make the continuance of the Plan, as such, impracticable. The R.A.F. were understood to have, at present, a surplus of as many as 60,000 trained aircrew. The Air Ministry had already cancelled sailings from Canada with the result that the numbers of surplus trained aircrew in this country were already large and sufficient to meet any contingency, irrespective of the 15,000 odd aircrew undergoing training.

In the circumstances it was intended that immediate steps be taken by the Department of National Defence for Air to bring the B.C.A.T.P. to an end. Action was being taken forthwith for the rapid progressive closing of schools so that after March 31st, 1945, there would remain only a small number of "shadow" stations which could be re-opened on short notice if the need arose.

Aircrew in Canada already trained would be immediately released and put "on reserve" so that their services could be recovered should they be required again at a later date. Trainees now in the schools, whose training could be completed by March 31st, would be retained until that date and then dealt with in the same fashion. All others not already in the training stream would be discharged forthwith. The R.C.A.F. would accept no further recruits in any categories.

In this connection a communication had been sent to the Air Ministry through the U.K. High Commissioner.

(Letter, Minister of National Defence for Air, to External Affairs, Oct. 16, 1944, and enclosed letter to U.K. High Commissioner).

13. THE WAR COMMITTEE, after discussion, noted with approval the Minister's report.

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304. PCO/Vol. 29

Le ministre de la Défense nationale pour l'Air
au haut commissaire de Grande-Bretagne

Minister of National Defence for Air
to High Commissioner of Great Britain

Ottawa, October 20, 1944

Dear Mr. MacDonald,

Thank you very much for your letter of the 16th instant and the information contained therein. In view of the uncertainty which has surrounded aircrew production for some time, I feel sure that you will agree with me that it would be to the advantage of all concerned to face the situation squarely as it exists at present.

A very careful and comprehensive review of the R.C.A.F. aircrew position has been made. I find that, as of October 6th, 1944, Canada had approximately 40,000 fully trained aircrew of all categories, to which must be added 3,500 in post-graduate training and nearly 13,000 anticipated graduates from current courses, or a total of 56,500 graduate aircrew.

Basing calculations on the European War being over by 31st December, 1944, a generous estimate of 23,000 has been made to cover the two-year replacement requirements for Western Hemisphere Operations and the 32 squadron force which it has been proposed Canada should provide for the post-German war.

After allowing for 5,000 casualties during the next six months (a high figure based on recent experience), plus the replacement of 18,000 tour-expired aircrew personnel, you will readily see that, as far as Canada is concerned we will have at least 10,500 trained aircrew personnel more than we require and that, therefore, no further aircrew production will be needed after April 1st, 1945.

In view of this situation (and I understand a similar one exists in the United Kingdom), the government has decided to cancel all Canadian aircrew intakes for those courses which cannot complete training before March 31st, 1945, the expiry date of the present agreement. It would appear that the operation of the B.C.A.T.P. as such, is no longer justified, especially as Australia and New Zealand are now in process of withdrawing, and that the Plan should be wound up as of March 31st, 1945.

I would ask you to refer to the "Balfour-Power" agreement of February, 1944,[89] which states: "It is agreed that, irrespective of any participation by the

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[89] Voir C. P. Stacey, *Armes, hommes et gouvernements: Les politiques de guerre du Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 636-9.
See C. P. Stacey, *Arms, Men and Governments: The War Policies of Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 580-3.

Australian and New Zealand Governments, the Joint Air Training Plan in Canada will be continued beyond 31st March, 1945, to cover such aircrew training requirements as may be necessary to cope with the probable future war situation."

We feel that in the face of the above figures it must be admitted that the requirements necessary to meet the war situation have been filled.

This decision should not be construed as indicating any lack of willingness to train Empire aircrew on the part of Canada. I am quite prepared to consider such training after April 1st, 1945, on any mutually satisfactory basis which may be agreed upon.

Recruitment for the R.C.A.F. has already been discontinued, and pre-entry aircrew to the number of 4,200 are being released from service with the R.C.A.F. and Canadian intakes to I.T.S. and E.F.T.S. have been cancelled. You are aware that Australia and New Zealand are not sending us any more personnel to train. Furthermore, I understand that the R.A.F. trainees flow to Canada has been temporarily suspended. It is suggested, therefore, that pending the completion of such alternative training arrangements in Canada as may be deemed desirable, that no further R.A.F. trainees be sent to the Dominion since they cannot complete training before the closing date of the schools, i.e. March 31st, 1945.

In order, however, to make quite sure that should unforeseen circumstances radically alter the present favourable war situation, we propose to maintain in being a shadow training organization of the nature outlined in the Appendix* to your letter of 16th October. This will consist of one I.T.S., two E.F.T.S.'s, four S.F.T.S.'s, two B. & G.S.'s,[90], two Navigation Schools, one Aircrew Graduate training school, and one Wireless School. These schools will be maintained on a care and maintenance basis at a high order of readiness. Buildings will remain heated, adequate staffs will be available to service equipment, and airdromes will be snow-compacted and available for use at any time, so that the whole organization can be operative at short notice. Should refresher training prove necessary, these schools will be available.

With regard to the number of R.A.F. trainees presently in Canada and awaiting training, it will be possible to absorb some of these into existing schools and finish their training before March 31st, 1945. Therefore, it is the intention to post to training schools such personnel, R.A.F. and R.C.A.F. as can complete current courses before March 31st, 1945, and your instructions will be sought in respect to the disposal of those R.A.F. personnel who cannot be so trained. Insofar as R.C.A.F. personnel who cannot complete their training before March 31st are concerned, they will be discharged. Those who do complete basic training will on graduation be posted to the R.C.A.F. Reserve.

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[90]Bombing and Gunnery School.

As the effects of these changes are far-reaching, I would appreciate receiving your Government's reaction at the earliest possible date.

Yours truly,

CHARLES G. POWER

305. C. G. P. Vol. 56

Le haut commissaire adjoint de Grande-Bretagne au ministre de la Défense nationale pour l'Air

Deputy High Commissioner of Great Britain to Minister of National Defence for Air

516X/608 Ottawa, November 11, 1944

TOP SECRET

Dear Major Power,

Would you please refer to your letter to the High Commissioner of the 20th October containing your views on the memorandum from the Air Ministry regarding the question of Air Training in Canada.

As you know, the High Commissioner at once telegraphed the substance of your letter to London and sent a copy of it by air bag. We have now received a reply from the United Kingdom authorities. The Air Ministry have now carefully considered your letter about future arrangements for Air Training in Canada and the views which they have reached as a result are set out in the enclosed memorandum.

Yours sincerely,

PATRICK DUFF

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum[91]

Memorandum[91]

TOP SECRET November 11, 1944

AIR MINISTRY OBSERVATIONS REGARDING MAJOR POWER'S LETTER OF THE 20TH OCTOBER ABOUT FUTURE ARRANGEMENTS FOR AIR TRAINING IN CANADA

1. Major Power's view that the British Commonwealth Air Training Plan as such need not be continued and that such training arrangements as are needed after the termination of the current agreement should be such as can be mutually agreed between our two Governments, is accepted. It is not possible at the moment to state precisely the overall training requirements for the second phase of the war as these will depend upon the strength and composition

[91] Les six notes suivantes étaient écrites sur cette copie du mémorandum:
The following six notes were written on this copy of the memorandum:

of the target force finally agreed, including the contributions by the Dominions and Allies to that force. Furthermore, the actual date of the conclusion of hostilities in the European theatre may considerably affect aircrew requirements and training plans, if, in the event, it is very far removed from the hypothesis date which has been taken so far. Indeed, the war situation has already necessitated reconsideration of planning for Air Training purposes, on the assumption that the war with Germany will continue until June, 1945.

2. The Air Ministry proposals provide for some restoration in the United Kingdom of basic flying training facilities, but the implementation of these plans depends in the first instance on the date by which hostilities in Europe come to an end. It is hoped, therefore, to conclude arrangements with the Canadian Government under which, if the re-establishment of this capacity is delayed by war developments, it will be possible to maintain adequate capacity in being in Canada. If this is not possible it will be necessary to improvise other arrangements such as keeping open schools in South Africa or Southern Rhodesia which would otherwise be closed.[92]

3. It has already been agreed that training courses should be reduced to the standard length with the object of training as many personnel by 31st March as possible, but it is desired to conclude arrangements under which all R.A.F. personnel, who have already been despatched to Canada, will be enabled to complete their training before they return to the United Kingdom even though this training extends beyond 31st March 1945.[93]

4. Whilst there are sufficient aircrew trained and under training to meet the planned United Kingdom requirements for some considerable time, it is not a practical course in the case of the R.A.F. to place them in a reserve. There are difficulties in the way of retaining them in flying training and it is not possible to keep them indefinitely without training. Policy will therefore be to release from aircrew duties those who are likely to be held up for an unreasonably lengthy period but to continue intakes to training of a limited number of new entrants. The Air Ministry therefore hope that it will be possible to continue the drafting of pupils to Canada as required, according to the capacity which can be made available in Canada for R.A.F. purposes.[94]

5. Another question which cannot be settled immediately is the O.T.U. capacity which will be required in Canada from now on for the second phase. It is hoped to be able to make final proposals on this question as soon as decisions have been reached to outstanding questions affecting the requirements.[95]

6. The Canadian Government will appreciate the difficulties in regard to forecasting training requirements. The Air Ministry are however in complete agreement with Major Power's view that we must deal urgently with the situation as it exists at present.[96] There are however bound to be many uncertain factors which the Air Ministry think could best be dealt with in

[92]There sh[oul]d be no difficulty in keeping certain schools in «dead storage.»
[93]No difficulty. Shadow schools can be utilized.
[94]Contract training.
[95]Awaiting Cabinet decision.
[96]Good!

personal discussion. The Air Ministry suggest therefore that the best course would be if the Chief of Air Staff could come over in the almost immediate future.[97]

306. C.G.P./Vol. 56

Le ministre de la Défense nationale pour l'Air au haut commissaire adjoint de Grande-Bretagne

Minister of National Defence for Air to Deputy High Commissioner of Great Britain

Ottawa, November 15, 1944

Dear Sir Patrick [Duff],

In reply to your letter of the 11th of November and the attachment thereto it is noted with satisfaction that the Air Ministry agree with the views I set out. Their willingness to conform is yet another example of the fine co-operation that has existed between us during the existence of the B.C.A.T.P.

It is observed in para. 2 of the Air Ministry's memorandum that it is hoped to conclude arrangements with the Canadian Government under which, if the re-establishment of training capacity in the United Kingdom is delayed by war developments, it would be possible to maintain adequate capacity in being in Canada. No difficulty is seen in making this provision and all requirements that can be foreseen will be provided for in the "shadow plan."

The desire of the Air Ministry to conclude arrangements under which all RAF personnel who have already been despatched to Canada will be enabled to complete their training before their return to U.K. can be met and arrangements to this end are in hand. The requirements outlined in para. 4 of the Air Ministry's letter can be met in the manner I suggested in page 2 of my letter of 20th October to Mr. MacDonald.

Finally it is not expedient for the Chief of the Air Staff to leave Ottawa at this particular juncture but arrangements are being made to send Group Captain Ireland, A.F.C., Director of Training Plans and Requirements, to England in about a week's time and the Chief of the Air Staff hopes to make a visit to England as soon as circumstances permit.

Yours very truly,

C. G. P[OWER]

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[97] Hope it may be possible to obtain Cabinet decision on Japanese war before I go. Otherwise my hands will be tied.

307. DF/Vol. 3672

Le ministre de la Défense nationale pour l'Air
au ministre des Finances

Minister of National Defence for Air
to Minister of Finance

Quebec, November 16, 1944

RE: WINDING UP OF FINANCIAL ARRANGEMENTS B.C.A.T.P.
MARCH 31ST 1945 AND SUBSEQUENT ARRANGEMENTS THERETO

My dear Colleague,

I submitted this matter some weeks ago to War Cabinet Committee and it was referred to your Department. It was understood that Dr. Clark was to get in touch with Mr. Norman, Financial Adviser of the BCATP, and the Officers of my Department. I am in fact keeping on the strength Air Vice Marshal Nairn who was to retire on November first in order that this matter may be dealt with by someone who is familiar with it.

My Officers now inform me that it is proposed to await the arrival of Lord Keynes before entering into any discussion of these matters. I suggest to you that the financial arrangements between the partners of the BCATP should not be subject to any concessions made to the United Kingdom Government in connection with any other matter such as Mutual Aid for instance, but should be settled on the straightforward basis of the obligations, commitments and interests of the partners of the Plan as such.

I would much appreciate it if you would ask Dr. Clark to get in touch with Messrs. Norman and Nairn so as to arrive at a solution of this matter as soon as possible.

It is the more important since I have prepared an announcement to be issued tomorrow that the Air Training Plan is winding up definitely on March 31st 1945, and that all Schools connected with it are to be closed.

Yours sincerely,
CHARLES G. POWER

308. DF/Vol. 3672

Le ministre des Finances au ministre
de la Défense nationale pour l'Air

Minister of Finance to Minister
of National Defence for Air

Ottawa, November 18, 1944

My dear Colleague,

I have yours of November 16th, relating to the winding up of financial arrangements in connection with the Air Training Plan.

After Cabinet War Committee referred the general question to this Department, my Deputy had a meeting with Mr. Norman, Air Vice Marshal Nairn and other representatives of your Department, at which the proposals resulting from the conference in London[98] were again considered. My officials believe that, as a result of discussions at this meeting, it was unanimously decided that the question would have to be held up until the time of a general conference with the British authorities on the whole subject of financial relations between the two countries. Lord Keynes and his colleagues have been going to arrive in Ottawa for the last two or three weeks, but it is now definitely settled that they will be here next week. I understand that the primary reason for our officials reaching the unanimous conclusion referred to was that Lord Keynes had advised his Government that no decision should be reached with Messrs. Norman and Nairn about the future unless the past could be cleared up at the same time. In other words, he appears to be very anxious to reach some settlement about the past liabilities of the U.K. under the Air Training Plan, and he wanted his Government not to make any settlement about the future until consideration could be given to these old accumulated liabilities in connection with the general financial settlement. We understand that his advice in this respect has been accepted by his Government, and that he will wish to talk about these old debts during his visit next week.

Incidentally, I may say that my officials are not favourably disposed to any compromise in respect of the old debts, but merely felt that there was no use in talking to the British about the problems in which you are now primarily interested if their instructions were as I have indicated. I do not think there is any suggestion that financial arrangements between the partners of the B.C.A.T.P. should be "subject to any concessions made to the United Kingdom Government in connection with any other matter such as Mutual Aid for instance."

I also believe that it is the view of my officials that the questions which remain to be decided are primarily ones involving high governmental policy, rather than merely administrative questions which could be solved by a discussion between officials. However, I think that it would first be wise to see what attitude Keynes and his party do adopt, and we should know this in the course of another few days.

Yours sincerely,

J. L. ILSLEY

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[98]La conférence des premiers ministres du Commonwealth du 1 au 16 mai. Voir les documents 507,303,307.
Commonwealth Prime Ministers Conference, May 1 to 16. See Documents 507,303,307.

309. DF/Vol. 3672

Procès-verbal d'une réunion

Minutes of a Meeting

TOP SECRET Ottawa, December 6, 1944

NOTES ON DISCUSSION OF AIR FORCE MATTERS WITH UNITED KINGDOM TREASURY DELEGATION, DEC. 2/44

A meeting was held in Room 123 of the East Block on December 2, 1944, to discuss various outstanding problems between the United Kingdom and Canada concerning air training and related matters. Those present included:

For the United Kingdom:
Lord Keynes
Sir Robert Sinclair
Mr. Goshen
Mr. Gordon Munro
Mr. O. Williams
Mr. F. C. Fayers
Mr. R. W. B. Clarke

For Canada:
Dr. W. C. Clark
Air Vice Marshal K. G. Nairn
Mr. H. G. Norman
Mr. B. G. McIntyre
W/C Rhude
W/C Ryrie
Mr. R. B. Bryce

The discussion commenced with Lord Keynes outlining their understanding of the original basis of the U.K. contribution to the current Air Training Plan. He said that originally it was expected that the U.K. would make their contribution in kind—mainly in Lend-Lease equipment and petroleum products—but that it was felt it would be more orderly if this were translated into a financial obligation toward which the contribution would be credited. Now, however, this expectation had not worked out and it was believed that the U.K. would end up with a substantial residual liability, which is now anticipated to be $266 million at March 31st. (This figure was corrected by Mr. Norman to something between $210 m. and $220m.) Lord Keynes said that the reason for this large liability of the U.K. is somewhat paradoxical, because it lies in the lower costs of many of the items of equipment which the United Kingdom had undertaken to supply. It appeared that the equipment required had not been as great as anticipated; that some was of a kind that could not be obtained on Lend-Lease but had to be purchased; that the anticipated cost of the equipment was too high, and, in fact, the costs had proven much lower, that the estimated costs had included Canadian taxes, which were not properly chargeable; that less oil and gasoline had been required than anticipated and the Lend-Lease component of the oil and gas had not been as large as was expected. For all these reasons the U.K.

contributions in kind had been smaller than was contemplated. On the other hand, however, the total cost of the scheme was not less than anticipated, and consequently the U.K. has a substantial liability remaining.

Mr. Norman, while not necessarily accepting all of Lord Keynes' points, confirmed that the original anticipations were not fulfilled. He said that the values of Lend-Lease items to be supplied by the U.K. had originally been set by U.K. officials and had proven to be too high in the light of reductions in costs. As regards gasoline and oil, the main reduction had been that the U.S. decided it would not pay refining and other costs in Canada but only the cost of the crude oil acquired. The cost for personnel and other types of expenditures had proven higher, rather than lower, but equipment had not. There had been a great many changes made in equipment right from the beginning. Mr. Norman said that arrangements had been made when the agreement was drawn up to include in the U.K. contribution the value of R.A.F. pay and allowances and payments on the Australian and New Zealand share in order to help bring up the total and not leave the U.K. with an undischarged liability. As regards equipment coming from different sources, the main change had been that Mosquitoes required for O.T.U.'s were produced in Canada rather than obtained on Lend-Lease. Mr. Norman said that the Canadian Government wanted the U.K. to take one-half the cost as its share because of Dr. Clark's fear that the items to be obtained on Lend-Lease would not amount to one-half the total costs. Dr. Clark confirmed that the way in which the agreement had been drafted (with U.K. assuming 50% of the liability) was due to his fears regarding the delays necessary in getting Lend-Lease supplies and his doubts concerning the willingness of the U.S. to furnish the equipment wanted on Lend-Lease terms. Lord Keynes said that the equipment asked for on Lend-Lease had been obtained in that way to a very large extent, but that it was the lower cost and values of it which had brought down the total value of the contributions. Only in the case of oil was it a matter of U.S. unwillingness to supply. Dr. Clark pointed out that for a time it looked as though the total costs would exceed the estimates and if that had been the case, Canada would have had to bear this excess.

Lord Keynes said that the U.K. had hoped to liquidate a good deal of the debt this year in respect of the first Air Training Scheme, but now that hope appeared to have been frustrated. Instead they must face a large accumulated liability on the second scheme, as well as the first. He asked what he could report to London as being in the minds of the Canadians in regard to this problem. Dr. Clark said that Canadian thinking had beem mainly concentrated on the current requirements for Mutual Aid, rather than on the cleaning up of these arrears of obligations. If these arrears were added to the current requirements, they produced a staggering total. Lord Keynes agreed and said that he felt they should be kept in the background and should not confuse the immediate issue on meeting current requirements. There is everything to be said for treating them as a special question of different character to the remaining costs in Stage 2. Dr. Clark asked if Lord Keynes had any proposals to submit in regard to these accumulated obligations and said that Canada had

not yet given a great deal of thought to the means of settlement. Lord Keynes said that his view was that the history of the obligation in regard to the second scheme was relevant and they were glad to have this opportunity to get some agreed interpretation of it. They do not wish to reopen the whole question of the apportionment of the costs of the scheme, but they feel the source of the accrued liability should be taken into consideration. He said it was unfortunate that it had not been arranged that if the U.K. were not able to obtain the necessary supplies and equipment on Lend-Lease, they should have been obligated to furnish them on some other basis, rather than assume a specified share of total costs. (Note—This is *not* what the agreement provided for.)

WINDING UP CURRENT PLAN

The discussion on the winding up of the current Plan and the settlement regarding residual assets was opened by reference to the earlier conversations both here and in London and to Mr. Norman's suggestion that the U.K. should give up its portion of the residual assets of the Plan in Canada and that Canada should give up its residual assets of the R.C.A.F. overseas, both sides to have the right to retain and transport to their own country equipment and stores they wished to use after the war.

Mr. Norman outlined the problem presented by the winding up of the Plan, which it had now been decided would conclude on March 31st next and would not be renewed. He said that $800 million had been spent on capital assets (apart from Lend-Lease equipment provided by the U.K.). If there was a residual value of 5% left in these assets when the Plan was finished, which he thought would be as much as could be expected, this would leave $40 m. to be divided between the participating governments. Allowance must be made for costs of disposition. There were also the "winding up" costs to be taken into account and which the U.K. was obligated to share under the existing agreement. It is impossible to estimate these in advance, and they depend very much on the policy to be followed in regard to the release of personnel. Thirdly, there are the commitments expected to be outstanding at March 31. These are now estimated to amount to about $30 m. of which the U.K. would be obligated to pay one-half under the existing agreement. Most of them are for orders which cannot be cancelled or costs of cancellation.[*sic*] It includes commitments in respect of Anson aircraft and Mosquito aircraft. The costs of winding up cannot be disentangled from the demobilization costs for personnel from overseas. Consequently, it has been suggested that the U.K. might give up its share of the residual assets and be relieved of its obligations in respect of winding up costs, costs of disposition of assets, and commitments at March 31.

Lord Keynes said that the U.K. felt the disposal of assets in Canada should be under Canada's control, and that they would like, if possible, the U.K.'s relinquishing of these residual assets to be balanced by Canada's relinquishing the residual assets owned by the R.C.A.F. overseas, apart from what they wished to bring back to Canada. He said that this exchange could hardly be justified actuarially but would be a very satisfactory arrangement from the U.K.'s point of view if Canada could see its way clear to do it. There was a

brief discussion on this matter, and Dr. Clark indicated that the proposal would have to be taken up with the Canadian Government.

TRAINING IN 1945-46

It was noted that the formal Training Plan was ending March 31, 1945, but that there was some possibility the U.K. would wish to train R.A.F. personnel in Canada subsequent to that date. No definite figures were given as to the numbers which might be sent over for training, but Mr. Norman thought that the cost might amount to something as large as $30 million. On the other hand, there would probably be advanced training of Canadians overseas during Stage 2, which W/C Ryrie estimated might cost as much as $25 m. Mr. Bryce noted that neither of these items had been taken account of in the balance of payments, as both were indefinite and largely offset each other.

Dr. Clark asked what the possibilities were going to be of using for training next year the Lend-Lease equipment which the U.K. had supplied in the past. Mr. Norman pointed out that the U.K. had the disposal of this equipment and it would not be transferred to Canada in any event, but was, of course, subject to the rights of the U.S. He said it was vitally important for Canada to know whether it would be in a position to use this equipment without payment, or whether it would be necessary in some way to purchase or lease it for the period it was required for training during Stage 2. Lord Keynes said that they hoped there would be no difficulties from the U.S. end, and he thought the value of the use of the equipment might be offset against the cost of training U.K. personnel in Canada during Stage 2. Mr. Munro suggested that it might be satisfactory from the U.K. point of view and the U.S. point of view if R.A.F. men were trained by Canada at so much per head, the value of the Lend-Lease aircraft being credited against the amount owing. Mr. Norman felt there would have to be some form of written agreement on that point in order to make sure of Canada's right to use this Lend-Lease equipment.

Mr. Norman asked whether the general problem of the use or disposition of residual Lend-Lease equipment had been settled at all. Lord Keynes said that it had already arisen in regard to supplies in North Africa. The U.S. had made some inquiries of the U.K. and the latter had sent a rather unhelpful reply. At present the issue is in abeyance. Lord Keynes said that they had taken the view that it was not a departmental issue to be dealt with by officials, but rather a question on which the President would descend like God from heaven and decide whether or not the equipment was to be recaptured. The U.S. had considered selling certain surplus supplies to the Bedouins, but the U.K. had replied that so far as they knew the Bedouins had no dollars to pay for the surplus U.S. equipment.

PAYMENTS FOR RESERVE STOCKS

Air Vice Marshall Nairn stated that the Air Force was planning now to make a substantial payment in respect of reserve and pipeline stocks, as was agreed last August. They have had a detailed report[†] prepared on the matter by W/C Rhude. Rhude raised the question of whether the settlent to be made on

the basis of his report was to be an outright payment once and for all, or whether there should be subsequent reviews of the reserve position and adjustments in the amounts payable. Mr. R. W. B. Clarke stated that there was a question of principle involved here, which ought, if possible, to be settled. Rhude pointed out that there might be two reasons why a subsequent review would show a lower figure than that for July 31st, which is now being determined. In the first place, there may be a reduction in the stocks held as the end of the war approaches, and in the second place, there may be an increase in the proportion of Lend-Lease equipment held by Canadian squadrons.

Lord Keynes said that he had understood the settlement was to be made once and for all on the basis of the figures established for July 31st, but if Canada pressed to have a review made, they could hardly resist. He hoped Canada would not press. If there are to be subsequent reviews, it will be difficult to take care of obsolescent equipment and in effect it would be apt to throw the cost of obsolescence on the U.K. Obsolescence which had taken place prior to July 31st last was not taken into account, because obsolete stocks were not to be included in the reserves in which Canada would share. To make a once and for all settlement, therefore, was not fair to the U.K. in regard to the past nor wholly fair to Canada in the future, but constituted a fair compromise. There was brief discussion on this issue, but no conclusion reached. It was recognized that the question of subsequent reviews of the figure used was bound up with the problem of recognizing obsolescence of equipment.

ADJUSTMENT FOR LEND-LEASE TRANSFERS

W/C Ryrie raised the subject of the adjustment to be made on squadron charges by reason of Lend-Lease equipment transferred to them. Dr. Clark said that last summer it was expected that Canada would pay the U.S. for the estimated Lend-Lease transfers, but that in the light of recent discussions it may still be an open question. Lord Keynes said he hoped it would be possible to find a way around this problem not at once, but when the right time comes to raise it in Washington. In the meantime they would attempt informally to find out if there is some legal way of avoiding payment by Canada to the U.S., particularly where the U.K. is not getting a direct payment for identifiable articles. He thought it might be possible for the U.S. Government to rule that the U.K. is using as much as they are getting by Lend-Lease, and consequently that they would not look to a third party obtaining some Lend-Lease equipment via the U.K. This doctrine of substitution has not yet been applied to munitions, but it has already been extensively applied in respect of non-munitions. There may be some difficulties in applying it to certain items, he said in reply to Dr. Clark, and some need to compromise. This doctrine of substitution had been devised to facilitate efficient operations and prevent Treasury reasons interfering with the most effective physical disposition of supplies. Mr. Goshen noted that it had been the same principle that made possible the Lend-Lease of Canadian loadings of munitions, since the U.K. had shown that they would be able to use their own boats for this purpose and have

U.S. boats used on other items that were eligible for Lend-Lease shipment, but that this would be less efficient than the arrangements in fact being made and that efficiency should not be jeopardized by the need to alter arrangements to bring them within Lend-Lease possibilities. There was some discussion regarding the timing of a decision on this Lend-Lease question, particularly as to whether or not it was necessary or desirable before the end of this fiscal year. Dr. Clark stated that it was not feasible from Canada's standpoint to leave it over until a general settlement of Lend-Lease arrangements at the end of the war. Canada could not afford to have a large liability for U.S. dollars hanging over its head; either Canada had to pay U.S. dollars in the near future or the U.K. had to accept responsibility for a settlement with the United States.

In regard to current operations, W/C's Rhude and Ryrie stated that the U.K. had not yet begun to charge the R.C.A.F. on a basis excluding Lend-Lease, even though, as Mr. Clarke indicated, the Air Ministry was forecasting its receipts on a net basis. Canada was making payments this current year on the basis of Canadian estimates of what the squadron charges would be, which come out very closely to the charges that are calculated in detail subsequently. They have not received bills as yet for the current fiscal year. There was general agreement with Lord Keynes' view that it would not be desirable for the Air Ministry to bill the R.C.A.F. on a basis excluding the Lend-Lease equipment, and Lord Keynes indicated that he would have that matter taken up with the Air Ministry.

R. B. B[RYCE]

310. PCO

Mémorandum du secrétaire, le Comité de guerre du Cabinet

Memorandum by Secretary, Cabinet War Committee

SECRET Ottawa, February 27, 1945

RE: CONTINUED R.A.F. TRAINING IN CANADA; REPORT OF SUB-COMMITTEE

INTRODUCTION

1. On February 14th, the War Committee were informed by the Acting Minister of National Defence for Air that the U.K. Air Ministry wished to have certain limited R.A.F. training continued in Canada, after the expiry date of the Commonwealth Air Training Plan. After discussion, the Air Ministry's proposals were referred for examination and report as to financial aspects to the Departments of National Defence for Air and Finance.

The Air Ministry's proposals contemplate re-opening for R.A.F. training: 2 elementary flying schools, 3 service flying schools, 2 air navigation schools and certain operational training facilities; and for the Fleet Air Arm: 1 elementary and 1 service flying school; training to commence April 1st, 1945, reaching a

peak in June with a pupil population of about 3,700; the programme to extend over approximately 12 months.

2. On February 21st, the question was again discussed by the War Committee, when the Acting Minister and the Chief of the Air Staff reported that the grounds advanced by the Air Ministry in support of their request for Canadian agreement to their proposals were as follows:

(a) facilities—lack of aerodrome facilities in Great Britain;

(b) time loss—the delay that would result if facilities had to be created in South Africa, if not made available in Canada;

(c) transportation—the disadvantages of training in South Africa consequent upon shipping and other problems;

(d) manpower—the extreme shortage of trained staffs in Great Britain.

3. The Chief of the Air Staff has also reported to the War Committee that the R.A.F. have turned over to the Army all of their previous surplus of trained aircrew, and that they now have no reserves to meet future operational requirements.

4. At the meeting of February 21st, it was reported, on behalf of the Department of Finance, that the Air Ministry's proposals might well be accepted, subject to the department's concurrence in detailed financial arrangements, and subject to the U.K. government securing the consent of the U.S. government to the provision of Lease-Lend supplies.

5. The War Committee then referred the whole question for examination and report to the present sub-committee, consisting of the Ministers of National Defence, the Minister of Munitions and Supply and the Minister of Justice, together with the Chief of the Air Staff, the Secretary and the Military Secretary.

PRESENT POSITION; TERMINATION OF B.C.A.T.P. MARCH 31ST, 1945

6. On October 19th, 1944, on the recommendation of the then Minister, the government decided to discontinue all Commonwealth training as of March 31st, 1945, the expiry date of the current B.C.A.T.P. agreement. By this date it was expected that the supply of aircrew would be sufficient to meet any contingency.

This decision was made public by the Minister on November 17th and the liquidation of the Plan has been proceeding progressively since then.

7. In informing the U.K. government of the decision to terminate the Plan and to complete the closing of all schools by the following March 31st, it is to be noted that the Minister apparently contemplated the possibility of continuing some R.A.F. training in Canada after March 31st. In a letter of October 20th to the U.K. High Commissioner, Mr. Power expressed willingness to continue such further training on any mutually satisfactory basis which might be agreed upon.

There seems no doubt that the prospect of some continued training, after March 31st, was envisaged by both the U.K. Air Ministry and National

Defence for Air and subsequent correspondence and conversations have proceeded on this understanding.

8. The sub-committee are informed by the Chief of the Air Staff that by March 31st next, all Australian and New Zealand aircrew in training in Canada will have graduated. All Canadian trainees in the Plan will also have completed their basic training by that date.

The last R.A.F. pupils capable of graduating by March 31st, entered the Plan on November 6th last. Since then, however, some 400 R.A.F. student pilots and navigators were accepted for training in Canadian schools without provision for the continuance of their training beyond March 31st, and, unless a decision is taken to the contrary, a monthly flow of U.K. trainees into Canadian schools will continue up to the end of March.

R.C.A.F. TRAINING AFTER MARCH 31ST, 1945; EUROPEAN AND PACIFIC REQUIREMENTS

9. The sub-committee are informed by the Chief of the Air Staff that for the purpose of maintaining R.C.A.F. squadrons engaged in the war against Germany and to be retained for the continuation of the war against Japan, it is planned to carry on certain R.C.A.F. training activities after March 31st. These will be on a limited scale and will consist of refresher courses and operational training, utilizing aircrew in the Force.

IMPLICATIONS OF ACCEPTING AIR MINISTRY'S PROPOSALS; MANPOWER; FINANCE

10. The total staff required for the establishments contemplated by the Air Ministry's proposals is estimated at a total of 12,000. Of these, 3,000 would, in any event, be needed for continued R.C.A.F. training for Phase II (See para. 9 above).

The net additional personnel involved would, therefore, total some 9,000.

11. In large measure the equipment needs for the programme proposed can be satisfied from items already procured on B.C.A.T.P. account. It will be necessary to procure stores in limited quantities only, including bombs and ammunition, spares, crude petroleum for the production of oil and petrol, and possibly a few aircraft of operational types.

12. The overall cost of the training programme proposed by the Air Ministry is estimated at $35 millions.

Towards meeting this cost, it is estimated that the U.K. government would be able to contribute stores and equipment (to be obtained in large part from the United States under Lease-Lend) to a value of $16 millions, leaving a balance of $19 millions, which would be the estimated net cost of the training to the Canadian government.

It is estimated, however, that stores and equipment required for the proposed continued R.A.F. training programme would amount to only $7 millions, which would leave a balance of supplies valued at $9 millions

available to the R.C.A.F. for their own use, thus reducing the R.C.A.F. cash requirements for training after March 31st by that amount.

13. It is pointed out by the Financial Adviser to the B.C.A.T.P. that equipment previously supplied under Lease-Lend arrangements is available to Canada only so long as R.A.F. training is being conducted in this country.

Should R.A.F. training in Canada be entirely discontinued, it is understood that such equipment would be subject to withdrawal by the United States. This has a direct bearing upon the programme of refresher and operational training planned by the R.C.A.F. subsequent to March 31st next (see para. 9 above), since this programme is dependent upon the availability of Lease-Lend aircraft, equipment and supplies, valued at approximately $23 millions.

RECOMMENDATIONS

14. Having considered the situation as set out above, the sub-committee recommend that the War Committee approve acceptance of the U.K. Air Ministry's proposals for continued R.A.F. training in Canada after March 31st, 1945, and the conclusion of an agreement between the two governments for this purpose, on the following conditions:

(a) that such training be continued for a limited period only not exceeding one year from April 1st, 1945, and, in any event, that it be limited to the training of aircrew estimated to be required for operational employment in the war against Germany and Japan;

(b) that the U.K. government undertake to transfer training from Canada to the British Isles as soon as operational and other conditions in the United Kingdom permit, and that trainees be taken back progressively to U.K. schools as and when this becomes feasible;

(c) that the agreement be terminable by either government upon notice of, say, two months; and

(d) that the terms of the agreement be settled between officials of the Departments of National Defence for Air and Finance, and approved by the Ministers of both departments prior to submission to the War Committee for the purpose of authorizing execution on behalf of the government.[99]

A. D. P. HEENEY

311. **PCO**

Extrait du procès-verbal du Comité spécial du Cabinet

Extract from Minutes of Special Cabinet Committee

SECRET Ottawa, April 19, 1945

. . .

[99] Le Comité de guerre du Cabinet donna son approbation le 28 février.
The Cabinet War Committee gave its approval on February 28.

AIR FORCE; REQUEST FOR ADDITIONAL
R.A.F. TRAINING IN CANADA

8. THE MINISTER OF NATIONAL DEFENCE FOR AIR, referring to the discussion at the War Committee meeting of March 14th, reported that the U.K. government had now requested a small addition to continued R.A.F. training in Canada.

The request involved the training of a total of 814 additional aircrew, 286 navigators, 198 air bombers, and 330 instructors, to March 31st, 1946. No additional schools would have to be opened and estimated cost would be $3,185,000.

Since training facilities were not available in the United Kingdom, it was recommended that the request be accepted and this additional provision be included in the memorandum of agreement to be entered into between the two countries as a result of the War Committee's decision of March 14th.

An explanatory memorandum had been circulated.

(Minister's memorandum to War Committee, April 18,† and attached letter, U.K. High Commissioner to the Minister, April 13, 1945†—C.W.C. document 980).

9. THE COMMITTEE, after discussion, agreed that provision for additional R.A.F. training to the extent indicated might be included in the final agreement with the United Kingdom which would then be submitted to Council for authorization.

. . .

312. DEA/10293-40

Mémorandum d'entente

Memorandum of Agreement

MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENTS OF CANADA AND THE UNITED KINGDOM ADJUSTING THE LIABILITIES UNDER THE BRITISH COMMONWEALTH AIR TRAINING PLAN AGREEMENT OF THE FIFTH DAY OF JUNE, 1942

Signed at Ottawa, July 5, 1945

WHEREAS the Memorandum of Agreement, dated the fifth day of June, 1942, between the Governments of the United Kingdom, Canada, Australia and New Zealand, relating to the training of pilots and aircraft crews in Canada and their subsequent service (hereinafter referred to as the "1942 Agreement"),[100] provided for the sharing of the cost of the combined training

[100]Voir C. P. Stacey, *Armes, hommes et gouvernements: Les politiques de guerre du Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 619-34.
See C. P. Stacey, *Arms, Men and Governments: The War Policies of Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 564-78.

organization for the period from the first day of July, 1942 to the thirty-first day of March, 1945;

AND WHEREAS Article 14 (d) of the said Agreement provided that should changes in training arrangements occur which, in the opinion of the Financial Adviser appointed in accordance with Article 21 of the said Agreement, materially affect the cost of the organization, the liabilities accepted by the Governments of the United Kingdom, Canada, Australia and New Zealand would be adjusted accordingly;

AND WHEREAS, such changes having occurred, it is desirable to adjust the said liabilities as provided in the said Agreement;

It is therefore agreed as follows:

1. In lieu of the liability for the sum of seven hundred and twenty-three million dollars Canadian (less payments received by the Government of Canada from or on behalf of the Governments of Australia and New Zealand in respect of training for the period from the first day of July, 1942, to the thirty-first day of March, 1945, under the provisions of Article 20 of the 1942 Agreement) assumed by the Government of the United Kingdom, by Article 14(a) of the 1942 Agreement the Government of the United Kingdom shall assume a liability for one-half the total cost of the combined training organization for the period from the first day of July, 1942, to the thirty-first day of March, 1945 (hereinafter referred to as the "training period"), less payments received by the Government of Canada from or on behalf of the Governments of Australia and New Zealand in respect of training for the period from the first day of July, 1942 to the thirty-first day of March, 1945, under the provisions of Article 20 of the 1942 Agreement;

2. In determining the total cost of the combined training organization:

(a) there shall be included the costs necessarily incurred during the training period in the process of any winding up of the said organization which may have commenced prior to the thirty-first day of March, 1945;

(b) there shall be deducted:

(i) the amounts received in respect of assets, other than scrap, disposed of during the training period;

(ii) the fair value, to be determined as hereinafter provided, of assets transferred to any department or agency (except assets transferred to War Assets Corporation for disposal or to other Government agencies for care and maintenance) of the Government of Canada for which no amount is received under paragraph (i) hereof;

(c) Article 19 (d) (v) and 19 (d) (vi) of the 1942 Agreement shall be deemed to include all grants and gratuities paid upon demobilization and the cost of educational benefits, resettlement schemes, vocational training and all other benefits provided upon demobilization including costs of demobilization and demobilization leave;

(d) the Government of the United Kingdom and the Government of Canada shall each be financially responsible for the demobilization of its own personnel serving with the combined training organization either as staff or pupils, except

that the Government of Canada, as administrator of the combined training organization, shall bear the following costs:

(i) the costs up to a demobilization centre in Canada in respect of all personnel who are demobilized in Canada;

(ii) the costs up to the date and place of embarkation in North America in respect of personnel who are not demobilized in Canada;

3. For the purpose of Article 1 of this Agreement, the total cost of the combined training organization shall be determined by adding to the statement of total expenditure appearing in the "Statement of Expenditures British Commonwealth Air Training Plan, No. 2" to be prepared as of the thirty-first day of March, 1945, by the Comptroller of the Treasury of the Government of Canada in accordance with Article 2 hereof, the amounts mentioned in Article 4 hereof, and deducting therefrom the amounts mentioned in Article 5 hereof;

4. The amounts to be added to the said statement of total expenditure pursuant to Article 3 hereof are as follows:

(a) the fair value, to be determined as hereinafter provided, of any assets transferred to the combined training organization by any department or agency of the Government of Canada during the training period and which are not included in the said statement of total expenditure;

(b) any other expenditure not included in the said statement of total expenditure but agreed by authorized representatives of the Government of the United Kingdom and the Government of Canada, to be properly chargeable to the costs of the combined training organization;

5. The amounts to be deducted from the said statement of total expenditure pursuant to Article 3 hereof are as follows:

(a) expenditures incurred in the manning and recruiting of all R.C.A.F. personnel (except those required as staff of the combined training organization) and in the training of R.C.A.F. ground personnel for service outside of the combined training organization;

(b) the fair value of any assets, referred to in Article 2(b) (ii) hereof, which have not been included in the said statement of total expenditure;

(c) amounts covered by the settlement relating to the costs of air training in Canada prior to the first day of July, 1942, authorized by Order-in-Council of the Government of Canada, P.C. 107/7730 dated the sixth day of October, 1943[†] and agreed by authorized representatives of the Government of the United Kingdom and the Government of Canada as being included in the said statement of total expenditure;

(d) any expenditure included in the said statement of total expenditure but agreed by authorized representatives of the Government of the United Kingdom and the Government of Canada not to be chargeable to the combined training organization;

6. The Government of Canada shall have complete authority in connection with the disposal of assets of the combined training organization, except assets which are definitely identifiable as having been wholly or almost wholly

supplied to the Government of the United Kingdom by the Government of the United States of America under the Lease-Lend Act.

7. In determining the fair value of any asset transferred as contemplated by Articles 2(b) (ii) and 4(a) of this Agreement regard shall be had primarily to its value in the use to which it is to be put, or to which it is likely to be put within the foreseeable future, but consideration may also be given to its actual initial cost, the extent to which such cost was abnormal and its estimated useful life;

8. The fair value of any asset transferred as contemplated by Article 2(b) (ii) and 4(a) of this Agreement as agreed between the Department of National Defence (Air) and the Department or Agency of the Government of Canada from or to which it is transferred shall be subject to the approval of the Financial Adviser appointed in accordance with Article 21 of the 1942 Agreement;

9. The Governments of Australia and New Zealand, having renounced all claims to residual assets under Article 27 of the 1942 Agreement, have been relieved of all liabilities and costs under the said Article;

10. The provisions of Article 27 of the 1942 Agreement shall be cancelled and in place thereof the following shall be substituted:

"On the termination of this Agreement, any obligations accruing in respect of the combined training organization, and any costs necessarily incurred in the process of winding up the organization, shall be borne by the Government of Canada. Residual assets, other than defence articles supplied to the Government of the United Kingdom by the Government of the United States of America under the Lease-Lend Act shall become the property of Canada."

11. Notwithstanding the provisions of Article 10 hereof, the Government of Canada shall make available to the Government of the United Kingdom without cost, any equipment acquired for the purpose of the combined training organization and declared surplus to the requirements of the Canadian Armed Forces and junior training organizations and civil flying clubs in Canada, which the Government of the United Kingdom may require for Air Force purposes, or in order to make contributions to junior training organizations or civil flying clubs in the United Kingdom, provided that the Government of the United Kingdom shall bear the costs of transporting and packing such equipment.

Done in duplicate at Ottawa this fifth day of July, 1945.

On behalf of the Government of Canada:

COLIN GIBSON

On behalf of the Government of the United Kingdom:

MALCOLM MACDONALD

313. DEA/10293-40

Mémorandum d'entente

Memorandum of Agreement

MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED KINGDOM, CANADA, AUSTRALIA AND NEW ZEALAND, AMENDING ARTICLE 27 OF THE BRITISH COMMONWEALTH AIR TRAINING PLAN AGREEMENT OF THE FIFTH DAY OF JUNE, 1942

Signed at Ottawa, July 5, 1945

The Government of Australia and the Government of New Zealand hereby renounce all claims to residual assets under Article 27 of the Agreement relating to the training of pilots and aircraft crews in Canada and their subsequent service, made between the United Kingdom, Canada, Australia and New Zealand and dated at Ottawa, the fifth day of June, 1942, and the Government of Australia and the Government of New Zealand are hereby relieved of all their liabilities and costs under the said Article.

Done in quadruplicate at Ottawa, Canada, this fifth day of July, 1945.

On behalf of the Government of Canada:

COLIN GIBSON

On behalf of the Government of the United Kingdom:

MALCOLM MACDONALD

On behalf of the Government of Australia:

W. ANSTEY WYNES

On behalf of the Government of New Zealand:

D. WILSON

314. DEA/10293-40

Mémorandum d'entente

Memorandum of Agreement

SECRET

MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE GOVERNMENT OF CANADA CONCERNING THE TRAINING OF AIRCREWS AND CERTAIN RELATED MATTERS

Signed at Ottawa, July 5, 1945

1. For the purpose of this Agreement:

(a) "U.K. aircrew" shall be deemed to include pupils of the Royal Air Force and the Royal Navy and pupils sent by the Government of the United Kingdom from any allied country or from any part of the British Commonwealth other than Canada, Australia and New Zealand.

(b) "U.K. staff personnel" shall be deemed to include personnel loaned by the Royal Air Force and the Royal Navy for the purposes of carrying out this Agreement.

2. The Government of the United Kingdom and the Government of Canada agree that joint arrangements for the training in Canada of U.K. aircrew and R.C.A.F. pupils shall be continued under this Agreement after 31st March, 1945, on which date the Agreement between the Governments of the United Kingdom, Canada, Australia and New Zealand dated 5th June, 1942, providing for the training of aircrew in Canada, terminated.

3. This agreement shall be in force from 1st April 1945, until 31st March, 1946, provided, however, that it may be terminated at any time by either Government upon two months' notice.

4. The Government of the United Kingdom undertakes to transfer all U.K. aircrew from Canada to the United Kingdom for training as soon as operational and other pertinent conditions permit, and that trainees be taken back progressively to United Kingdom schools, as and when this becomes feasible.

5. The Government of Canada agrees to accept for training all U.K. aircrew sent by the Government of the United Kingdom provided that the number of U.K. aircrew in training (exclusive of operational training) shall not at any one time exceed:

Elementary Flying Training School	400 pupils
Service Flying Training School	720 pupils
Elementary Flying Training School (Royal Navy)	280 pupils
Service Flying Training School (Royal Navy)	280 pupils
Air Navigation School	1,380 pupils
Bombing and Gunnery School	180 pupils
Central Flying School	60 pupils

6. The operational training organizations as now constituted shall be maintained and operated at the presently planned capacity and the training of U.K. aircrew therein shall be in such numbers and categories as may be agreed upon from time to time between the two Governments.

7. Notwithstanding Articles 5 and 6, the Government of the United Kingdom agrees that the training of U.K. aircrew under this Agreement shall not exceed the estimated aircrew requirements intended for operational employment in the war against Germany and Japan.

8. The Government of Canada agrees to provide, maintain and operate the necessary training organization for the efficient carrying out of the training provided for in this Agreement.

9. The type of aircraft to be used for the training of aircrew shall be such as may be agreed upon from time to time between the two Governments.

10. The courses of training to be given shall be in accordance with such syllabi of instructions and of such lengths as may be agreed upon from time to time between the two Governments.

11. Except as provided in Article 12, the Government of Canada shall provide the aircraft, equipment, supplies, facilities and services necessary for the purposes of this Agreement.

12. At the request of the Government of Canada, the Government of the United Kingdom shall provide such aircraft, equipment and supplies, for the purposes of this Agreement, as can be made available either from United Kingdom Government stocks or from articles supplied to the Government of the United Kingdom by the Government of the United States of America under the Lend-Lease Act.

13. The Government of the United Kingdom agrees to lend the Government of Canada U.K. staff personnel in such ranks and numbers as may be agreed between the two Governments but instructors so lent shall not exceed 50% of the instructional personnel required for the training of U.K. aircrew.

14. Except as provided in Articles 15 and 17, the Government of Canada shall assume liability for all costs and expenses connected with the training carried out under this Agreement. This liability shall include, *inter alia*, the settlement of any claims arising in Canada out of the negligence of any U.K. aircrew or U.K. staff personnel while acting within the scope of their duties or employment and the issue of pay and allowances at R.C.A.F. rates and under R.C.A.F. regulations, to, or in respect of, U.K. staff personnel and U.K. aircrew, other than allowances in respect of their families and dependents residing outside Canada, for the period from the date of arrival in Canada up to and including the day preceding:

(i)	the date of leaving Canada	for those posted to a Unit outside Canada; or
(ii)	the date of joining the Unit	for those posted to a R.A.F. Unit or R.N. Unit in Canada other than a personnel depot included in the training organization; or
(iii)	the date of joining a demobilization centre	for those demobilized in Canada.

15. The Government of Canada shall not assume liability for the following costs and expenses:

(a) allowances issued under R.A.F. or R.N. regulations by the Government of the United Kingdom in respect of families and dependents, residing outside Canada, of U.K. staff personnel and U.K. aircrew;

(b) pensions and other non-effective benefits to, or in respect of, U.K. staff personnel and U.K. aircrew;

(c) grants or gratuities to U.K. staff and U.K. aircrew paid upon demobilization, costs incurred from the date referred to in Article 14, (i), (ii) or (iii) above, as appropriate, in respect of educational benefits, re-settlement schemes, vocational training and all other benefits provided by, or on behalf of, the Government of the United Kingdom for U.K. staff and U.K. aircrew upon demobilization, including costs of demobilization and demobilization leave;

(d) pay, allowances, transportation, uniforms and other expenses of U.K. staff personnel and U.K. aircrew, in respect of periods before the date of arrival in Canada and from the date referred to in Article 14 (i), (ii) or (iii) above, as appropriate;

(e) packing, loading and transportation costs arising outside Canada in respect of such aircraft, equipment and supplies as may be made available under Article 12.

16. The Government of Canada shall deduct from pay issues in Canada and shall pay quarterly to the Government of the United Kingdom for disbursement under R.A.F. or R.N. regulations, the following amounts:

(a) assigned pay at the rates prescribed under the R.C.A.F. regulations from the R.C.A.F. pay of U.K. staff personnel and U.K. aircrew in respect of whom Family Allowance or Dependent's Allowance is being issued under R.A.F. or R.N. regulations;

(b) voluntary assignments from the R.C.A.F. pay of U.K. staff personnel or U.K. aircrew, payable to persons residing outside of Canada;

(c) any other deductions from pay required to be made for payment outside Canada under R.A.F. or R.N. regulations.

17. The Government of the United Kingdom shall assume liability to pay to the Government of Canada capitation fees for the training of U.K. aircrew in Canada from 1st April, 1945, at weekly rates to be agreed between the two Governments. Such capitation fees shall be determined on the basis of the estimated costs of carrying on the training programme plus an appropriate allowance for overhead costs, excluding however, the costs of such assets as may be available from the residual assets of the British Commonwealth Air Training Plan and any expenditure properly chargeable to the costs of that Plan. The Government of Canada shall credit against the liability so determined:

(a) the value of such aircraft, equipment and supplies as are made available under Article 12; and

(b) payments made quarterly or otherwise by the Government of the United Kingdom to the Government of Canada of the equivalent in Canadian dollars of the pay (but not allowances) at R.A.F. or R.N. rates, as may be appropriate, of U.K. staff personnel and U.K. aircrew for the period from the date of arrival in Canada up to and including the day preceding:

(i)	the date of leaving Canada	for those posted to a Unit outside Canada; or
(ii)	the date of joining the Unit	for those posted to a R.A.F. or R.N. Unit in Canada other than a personnel depot included in the training organization; or
(iii)	the date of joining a demolization centre	for those demobilized in Canada

18. The Government of Canada shall in consultation with the Government of the United Kingdom, appoint an officer to act as Financial Adviser on such

matters affecting the cost of the air training under this Agreement as may be referred to him by either Government. The Governments of the United Kingdom and Canada shall be supplied with a copy of any report made by the Financial Adviser and shall be entitled to obtain from him information on all matters arising out of Article 17.

19. The title to defence articles supplied to the Government of the United Kingdom by the Government of the United States of America under the Lend-Lease Act and used for purposes of training under this Agreement shall remain with the Government of the United States of America.

Done in duplicate at Ottawa, Canada this fifth day of July, 1945.

On behalf of the Government of Canada:

COLIN GIBSON

On behalf of the Government of the United Kingdom:

MALCOLM MACDONALD

PARTIE 4/PART 4

FORCES CANADIENNES OUTRE-MER
CANADIAN FORCES OVERSEAS

SECTION A

NAVIRES POUR LA MARINE ROYALE DU CANADA
SHIPS FOR ROYAL CANADIAN NAVY

315. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, January 5, 1944

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NAVY; ACQUISITION OF CRUISERS AND DESTROYERS FROM THE UNITED KINGDOM

13. THE SECRETARY referred to the decision taken at the meeting of November 3rd, 1943, and reported that the U.K. government had now offered to make available to the Canadian Navy, as a "free gift", two *Fiji* class cruisers and two Fleet destroyers. The destroyers would be completed early in 1944, and the cruisers during the latter part of the year.

A communication had also been received from the First Lord of the Admiralty, congratulating the R.C.N. upon its achievements during the war and welcoming its "advent as a 'big ship' navy able to take an even greater part both now and after the war in maintaining the Naval traditions of the British Commonwealth."

(Telegrams Nos. 3234 and 3254, Canadian High Commissioner, London, to External Affairs, Dec. 22 and 24, 1943.)[101]

14. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES pointed out that this transfer of cruisers and destroyers to Canada had originated in the several proposals submitted to the War Committee at Quebec, on September 8th last, by the then First Sea Lord, at Mr. Churchill's request, as a method of assisting the serious manpower shortages of the Royal Navy. The War Committee had, however, on November 3rd, 1943, approved in principle the transfer of vessels of these types to the Canadian Navy.

Addition of these vessels would not necessarily imply the creation of a large postwar establishment, but would create a better balanced Navy. The Australian Navy, for example, now had several cruisers.

15. THE PRIME MINISTER, referring to the communication from Mr. Alexander,[102] pointed out that it appeared to imply the maintenance of Commonwealth naval forces to which Canada would contribute. Such a conception was opposed to Canadian national policy and practice and this impression should be corrected in replying to the British proposal.

Furthermore, the official communication from the Dominions Office based the proposal upon the expansion of the Canadian Navy, whereas it had, in fact, originated in the U.K. government's own suggestions as to methods by which Canada could assist in meeting the grave shortage of British naval personnel. This, too, should be pointed out clearly to the United Kingdom.

16. THE WAR COMMITTEE, after further discussion, agreed that, in accepting the cruisers and destroyers indicated, it be pointed out clearly to the U.K. government:

(a) that these vessels were being accepted by Canada, not for the purpose of expanding the Canadian Navy, but as a measure of "assistance to the Royal Navy in meeting the present shortage of naval manpower", as proposed by Sir Dudley Pound[103] at Quebec;

(b) that, nevertheless, acceptance could not involve commitments respecting use of the vessels subsequent to transfers; they would become an integral part of the Canadian Navy and, as such, necessarily at the sole disposal of the Canadian government and Canadian Parliament.

NAVY; ACQUISITION OF VESSELS FROM THE UNITED STATES

(a) landing craft (l.c. (l)'s)[104]

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[101] Voir le volume 9, documents 337 et 338.
See Volume 9, Documents 337 and 338.

[102] Le premier Lord de l'Amirauté. Voir le volume 9, document 338.
First Lord of the Admiralty. See Volume 9, Document 338.

[103] Premier Lord de la mer et chef de l'état major naval de Grande-Bretagne, 1939-43.
First Sea Lord and Chief of the Naval Staff of Great Britain, 1939-43.

[104] Landing Craft (Large).

17. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES, referring to the decision at the meeting of December 16th,[105] reported that it now appeared possible that, since the craft in question were to be used in a common British-American-Canadian operation, the U.S. Navy might make a special exception to normal procedure and permit the craft to be transferred to the R.C.N. for the period of the operation and, for the purpose, to be commissioned as H.M.C. ships.

18. THE WAR COMMITTEE, after discussion, authorized acceptance of the landing craft in question on the terms described by the Minister.

(b) aircraft carriers (c.v.e.'s)[106]

19. MR. MACDONALD, referring to the discussion of the question at the meeting of December 16th, said that it had been ascertained that the U.S. government could not transfer these vessels to Canada by sale. Accordingly, it was proposed that two carriers, now under lease-lend to the Royal Navy, be manned and operated by Canadian officers and ratings, the R.N. Fleet Air Arm to provide flying personnel, and the ships to remain units of the Royal Navy. This would effectively assist in relieving the manning difficulties of the Royal Navy and, at the same time, provide useful experience to Canadian personnel in carrier operation.

(Naval Services memorandum, Dec. 17, 1943.)†

20. THE PRIME MINISTER observed that he remained of the opinion expressed at the meeting of December 16th. The proposal involved undesirable postwar commitments.

21. THE MINISTER OF JUSTICE felt that it would be unsatisfactory to have R.C.N. personnel man vessels which would remain units of the Royal Navy controlled by the Admiralty.

22. THE MINISTER OF FINANCE was of the opinion that the proposal would enable it to be contended in the United States that Canada had accepted lease-lend by "back-door" methods. We had sought to avoid giving any ground whatever for such an accusation - it would be a mistake to do so now.

23. MR. MACDONALD stated that, in the light of the discussion, he was not disposed to press the proposal further, at present.

24. THE WAR COMMITTEE, after further discussion, deferred consideration of the proposal.

(c) loop mine layers

25. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES referred to a proposal for the purchase of two Loop mine layers from the United States. An explanatory memorandum had been circulated.

(Memorandum, Minister of National Defence for Naval Services, to War Committee, Dec. 21, 1943—C.W.C. document 683.)†

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[105] Voir le volume 9, document 334.
See Volume 9, Document 334.

[106] Carrier Vessel Escort.

Since it now appeared that the vessels could not be purchased from the United States, the proposal was withdrawn.

26. THE WAR COMMITTEE noted the Minister's report.

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316. DEA/27-Js

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 58 Ottawa, January 9, 1944

IMPORTANT. SECRET. Your telegram No. 24 of January 4th.† An earlier reply could not be returned to message given in your telegram No. 3234[107] since this could not be considered by War Committee until this week. In my immediately following telegram there is given text of communication which you should address to the Secretary of State for Dominion Affairs.

You will note that in our reply the transfer of these ships is not referred to as a "free gift", since the transaction should be regarded as "reverse Mutual Aid." There is considerable criticism in parts of Canada of the continued despatch of great quantities of war supplies to the United Kingdom without return in kind, and we feel that the transfer of these vessels, if properly represented, can be a useful counter to such criticism. On the other hand, if the announcement states only that the ships are a gift to Canada, this purpose would not be fulfilled. An announcement only in these terms might likewise be taken to infer obligations with respect to their employment.

The opening sentence of the communication addressed to you by the Secretary of State for Dominion Affairs did not state correctly the circumstances in which this proposal was made at Quebec. Mr. Churchill and the First Sea Lord introduced it as one of several proposals whereby Canada could assist in meeting the grave shortage of British naval personnel. It was on this basis that the matter has been discussed and not repeat not in relation to the expansion of the Royal Canadian Navy. Our reply therefore seeks to set the record straight on this point.

We have considered carefully the advantages of alternative courses, and we have decided with some hesitation to accept the ships without payment by Canada. We have considered purchase (which would have the effect of reducing the value of Mutual Aid supplied to the United Kingdom from Canada by the cost of the vessels) and also acceptance on loan, subject to return after the war. It is by no means unlikely that the Admiralty is unaware of the present financial relations between the United Kingdom and Canada.

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[107] Voir le volume 9, document 337.
See Volume 9, Document 337.

We feel that it must be clearly understood, both by the United Kingdom authorities and by the public, that no strings are attached to the transfer of ships. They become, for all purposes, Canadian ships, entirely under our control. The last sentence of the First Lord's message to you, quoted in your telegram No. 3254, has caused us some concern in this connection.

We consider it necessary that the transfer of the ships should be announced simultaneously and in identical terms in London and in Ottawa. We suggest that the announcement might be as follows: Begins:

The Minister of National Defence for Naval Services, the Honourable Angus Macdonald, announced that, pursuant to discussions initiated during the Quebec Conference by the United Kingdom Government, arrangements had now been completed for the transfer from the Royal Navy to the Royal Canadian Navy of two modern cruisers and two fleet destroyers.

The transfer of these ships to the R.C.N. may be regarded as "reverse Mutual Aid." They will come under Canada's exclusive control in the same way that large numbers of fighting ships, notably corvettes, minesweepers and frigates built in Canada, have been transferred to the United Kingdom and are now units of the Royal Navy. In both cases, the ships are made available, without regard to financial considerations, to the service where it is believed they can contribute most effectively to the common war effort of the United Nations.

The addition of these four ships, of the latest design and modern armament and equipment, to the Royal Canadian Navy will contribute greatly to its strength and balance, and will enable it to play a still greater part in the defeat of our enemies. It provides a striking example of the close co-operation and mutual assistance which have characterized the relations of the two navies from the moment of the outbreak of the war. Ends.

Please take this up immediately with the United Kingdom authorities with a view to arranging a release date towards the end of next week.[108] You should also communicate orally the substance of this telegram to Lord Cranborne and to Mr. Alexander.

317. DEA/27-Js

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 59 Ottawa, January 9, 1944

IMPORTANT. SECRET. With reference to my immediately preceding telegram, following is text of the communication to be addressed to the Secretary of State for Dominion Affairs, Begins:

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[108] Un communiqué de presse fut émis le 17 janvier.
A press release was issued on January 17.

With reference to your letter of December 22nd,[109] I am happy to inform you that the Government of Canada is very willing to assist in meeting the shortage of British Naval personnel by accepting for service in the Royal Canadian Navy the *Fiji* class cruisers *Minotaur* and *Superb* and the fleet destroyers *Valentine* and *Vixen*.

With regard to the conditions of transfer of these ships, the understanding of the Government of Canada is that they will become an integral part of the Canadian Navy. As such, they will be, of course, at the sole disposal of the Canadian Government. It is, in our view, essential that the action of the United Kingdom Government in making these ships available without cost to the Canadian treasury should be related directly to the provision of war supplies, including a large number of fighting ships, by Canada to the United Kingdom without cost to the United Kingdom Treasury. We therefore feel it to be in the common interest that this transaction should be regarded as reverse Mutual Aid and not as a "free gift."

In your letter you referred to the discussions at Quebec concerning "the possibility of expanding the Royal Canadian Navy." I am desired to point out that the matter arose at Quebec as one of a series of proposals advanced by Mr. Churchill and Sir Dudley Pound for Canadian assistance to the Royal Navy in meeting the present shortage of naval manpower.

It had been hoped by the Canadian Naval authorities that the two cruisers would be ready for service before the dates mentioned in your letter. I assume that the possibility of these dates being advanced could be discussed between the Naval Staffs. Ends.

318. DEA/27-Ks

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-160 Washington, January 10, 1944

SECRET. Following for Robertson from Minister, Begins: Your EX-60, January 6,† landing craft. On January 8th Rear Admiral Reid, C.J.S., acting upon instructions from N.S.H.Q., informed Admiral Reeves, U.S.N., Chairman, Combined Munitions and Assignments Board, as follows:

(1) War Committee have authorized acceptance on loan from United States Government of 24 L.C.I. (L) on the following conditions, subject to the concurrence of the United States Government.

(a) That the craft are commissioned as H.M.C. ships.

(b) That the craft are borrowed only for the general operation in view rather than for the duration of the war.

(c) That the craft in commission are returned at the end of the period of the loan.

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[109]Voir le volume 9, document 337.
See Volume 9, Document 337.

(d) That there is no obligation to replace losses.

(e) That the transaction is distinct from Lend-Lease procedure.

(f) That Canada assumes responsibility for maintenance and operational costs of the craft.

Rear Admiral Reid informs me this morning that United States Navy have accepted terms of assignment of the craft on basis of foregoing conditions which he submitted to Admiral Reeves January 8. Reid has informed N.S.H.Q. accordingly. Ends.

319. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET January 12, 1944

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NAVY; ACQUISITION OF AIRCRAFT CARRIERS

28. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES, referring to the discussions at the meeting of January 5th, 1944, reported that no British-built carriers of the kind under discussion would be available until January of next year. In the circumstances, further consideration should be given to the proposal that two carriers, now on lend-lease to the United Kingdom, be manned for the Royal Navy by Canadian personnel. The cost involved for maintenance and operation would be about $4 million per year. The personnel involved would total some 900.

The Canadian Navy would obtain valuable experience for the future in air-sea co-operation. The expenditure and manpower involved should be considered in the light of the recent large reduction in the programme of construction of escort vessels.

29. THE WAR COMMITTEE, after discussion, approved in principle the manning of two R.N. aircraft carriers (C.V.E.s), in accordance with the recommendation of the Minister of National Defence for Naval Services.

. . .

320. CH/Vol. 2119

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 116 London, January 12, 1944

SECRET. Your telegrams 58 and 59, 9th January.

1. May I suggest that an expression of thanks should be incorporated in communication addressed to Dominions Secretary. Although acceptance of vessels will assist Admiralty in meeting shortage of personnel for the duration of the war and transaction, as pointed out, should be regarded as reverse Mutual Aid, the vessels are being given to Canada and it would seem appropriate that transfer should be acknowledged as a gift just as Canadian contributions under Mutual Aid have been similarly acknowledged here.

2. Am assured by Lord Cranborne that there is no question whatever as to our complete ownership and control of these vessels in perpetuity. The last sentence of First Lord's letter referred to in your No. 58 is merely complimentary reference to significance of Canada's naval effort now and after the war, as emphasized by our willingness to accept these ships.

3. Would appreciate early reply so that I may answer Dominions Secretary's letter without undue delay. In view of the assurances conveyed to me you may wish to revise the text set forth in your telegram No. 59.

321. V.M.

Le sous-secrétaire d'État adjoint aux Affaires extérieures au haut commissaire en Grande-Bretagne

Assistant Under-Secretary of State for External Affairs to High Commissioner in Great Britain

SECRET. PERSONAL. Ottawa, January 18, 1944

My dear Vincent,

I feel that I should give you a further explanation of the reasons which led me to send you my telegram No. 87 of January 13th† suggesting that you should not press your view that we ought to return a more generous-sounding answer on the question of the transfer to Canada of the two cruisers and two destroyers.

The question was discussed at considerable length in the War Committee on January 5th and as so often happens it provided an occasion for an exchange of views on broader questions. After the discussion Heeney and I prepared the two telegrams to you, Nos. 58 and 59 of January 9th, in the light of the views expressed by the Ministers in the War Committee and especially by the Prime Minister. These telegrams were sent to Mr. King, who spent a considerable time revising them and finally approved them for despatch with a number of changes. He, incidentally, suggested that our draft sounded too grateful although it survived his revision without any important change.

I, therefore, felt sure when your telegram No. 116 of January 12th arrived that Mr. King would not be willing to fall in with your proposal and that it would do no good to anyone concerned if we laid it before him. Heeney quite agreed with this view and I sent you my personal message with his concurrence. I have now removed from the departmental files your telegram No. 116.

Yesterday I received your personal letter of January 7th† in which you say that you would be glad to have further informal comments on the currents of opinion here on intra-Commonwealth relations. I shall try to put something together for you before the end of this week. This particular incident concerning the Navy shows that it is important that we should try to keep you privately more closely in touch than is possible in official communications. The trouble is that the volume of work in the department seems to grow more rapidly than our capacity to deal with it and Norman and I have, I think, never been so hard pressed as in the last few months.

I had lunch yesterday with George Ferguson[110] who is leaving today for England with the party of Canadian Journalists. I suggested to him that he might have a private talk with you on the trend of opinion in Canada on Commonwealth questions. He is something of a crusader on these matters and in consequence his emphasis at times is inaccurate. On the whole, however, his views should be treated with respect.

To return to the Naval question, I realize that the instructions given to you imposed on you a rather unpleasant task and I can assure you that we did the best we could in the circumstances.

Yours ever,

HUME [WRONG]

P.S. It is not easy to analyze an atmosphere, and this letter is not very illuminating. There is a feeling here that the U.K. is very prolific with its requests on Canada and much less prolific with its appreciation of what we have done. We sent you on Jan[uary] 15th a copy of a personal letter from Power to Sinclair[111] on our really very serious difficulties over the rapid changes of mind on the output of the B.C.A.T.P. Power gets incensed over the too small recognition given the R.C.A.F. in Air Ministry publicity. The prevailing assumption in high quarters in the U.K. that everyone wants closer Commonwealth union acts as an irritant. I'll try to explain these impalpables at greater length, but they are hard to put on paper and we could get much further if we could talk them over.

H. W[RONG]

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[110] Le rédacteur gérant, le *Free Press* de Winnipeg.
Managing Editor, Winnipeg *Free Press*.
[111] Document 291.

SECTION B

FORCES CANADIENNES EN EUROPE
CANADIAN FORCES IN EUROPE

322. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, May 3, 1944

...

PARTICIPATION OF CANADIAN FORCES (ARMY) IN WESTERN EUROPEAN OPERATIONS

7. THE MINISTER OF NATIONAL DEFENCE read the text of a communication from the General Officer Commanding-in-Chief, First Canadian Army, to the Chief of Staff, Canadian Military Headquarters, London, regarding the roles allotted to Canadian Army formations.

In this communication, Lieut.-General Crerar expressed the view that approval of the government to Canadian participation had been conveyed at the time of the inclusion of Canadian formations in the 21st Army Group; no further action in this respect was now necessary.

As to the actual operations impending, General Crerar expressed great confidence in the higher direction and Command of General Montgomery and was of opinion that plans and preparations had been soundly conceived and carefully made. Given reasonable fortune they would have decisive results. Lieut.-General Stuart concurred in these views.

(Army Message, Minister of National Defence, from the Chief of Staff, C.M.H.Q., London, April 25, 1944).†

8. MR. RALSTON said that, in reply to his request for particular advice, the Army Commander had subsequently reported that he was satisfied that the tasks allotted to Canadian formations in the forthcoming operation were feasible operations of war and that the plans formulated for these Canadian formations, with the resources available, were capable of being carried out with reasonable prospects of success.

The Chief of Staff, Canadian Military Headquarters had concurred in General Crerar's view.

(Army Message, Minister to Chief of Staff, C.M.H.Q., London, April 26, 1944, and reply, May 1, 1944).†

9. MR. RALSTON said that General Stuart and General Crerar had suggested that official instructions setting out the government's formal direction to have Canadian troops participate should now be sent to the Army Commander; in this connection, it would be desirable to have the desire expressed that, except in cases of emergency, Canadian forces should work together under the First

Canadian Army, and that Canadian formations in Western and Southern Europe should eventually be united under the Army.

(Army message, Chief of Staff, C.M.H.Q., London, to the Minister, May 1, 1944).†

10. THE WAR COMMITTEE, after discussion, noted the reports of the Minister and, on his recommendation, agreed that instructions be forwarded to the General Officer Commanding-in-Chief, Canadian Army Overseas, for participation in prospective European operations of Canadian forces under his Command.

It was specifically agreed that the instructions should make reference to the desirability of Canadian formations in Western and Southern Europe being united under the Army and that this should not be restricted to the post-armistice period.

...

323. DEA/49s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 82 London, May 23, 1944

TOP SECRET. Following for the Prime Minister, Begins: We have been approached by General Eisenhower in the following matter.

He is anxious that any statements that may be made at the opening of "OVERLORD" should be framed in accordance with a general line of policy and has suggested that the following considerations should be borne in mind:

(a) No appeals should be made to the people of Europe for immediate action;

(b) The nationality of the troops involved in the Allied forces should not be disclosed until such time as the Supreme Command consider it safe to release that information;

(c) Nothing should be said from which it could be inferred that the initial landings are the only ones to be made;

(d) It should not be suggested that the country in which the initial landings take place is the only country in which landings will be made.

The Prime Minister in informal discussion indicated that he agrees generally with these proposals. They have also been communicated to President Roosevelt.

I have no doubt that these considerations are already in your mind but, in the circumstances, I have been asked to put them to you and ask whether you would also agree that any statement, which you may find it desirable to make on this occasion, should conform to the above suggestions. I am sending a similar communication to the other Prime Ministers. Ends.

324. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET Ottawa, May 24, 1944

...

EUROPEAN OPERATIONS; INSTRUCTIONS TO ARMY COMMANDER

6. THE MINISTER OF NATIONAL DEFENCE submitted and read draft instructions to the General Officer Commanding-in-Chief, First Canadian Army, for participation of Canadian Army formations in impending operations "in combination" with military forces of the United Kingdom (21st Army Group). On May 3rd, the War Committee, upon submission of reports by Lieutenant-General Crerar, had approved such participation by the Canadian forces under the General's command.

Particular attention was directed to paragraphs 10 and 11, regarding subsequent concentration of Canadian formations now serving apart from the First Canadian Army.

(Letter of instructions, Chief of the General Staff to G.O.C.-in-C., May 19, 1944).

7. THE PRIME MINISTER commented upon paragraphs 10 and 11.

In recent conversation with him in England, General Montgomery had expressed some concern lest "national" considerations should interfere with military necessity or advantage, emphasizing how important it was that he should have freedom to employ formations under his command so as to ensure their maximum effectiveness in operations. Mr. King had assured General Montgomery that, while the Canadian government felt it desirable that Canadians should serve together, no "political" considerations would be permitted to interfere with military effectiveness; Canadian policy in this respect was subject always to such over-riding military considerations. At the same time, considerations other than military should not be permitted to interfere with Canadian policy in the matter of having Canadian forces serve together.

These assurances had been entirely satisfactory to General Montgomery, and Mr. King had communicated the substance of these conversations to General Crerar.

8. MR. RALSTON agreed with the views expressed by the Prime Minister. It should not, however, be forgotten that (subject to what Mr. King had said), since in our view Canadians fought better together, the concentration of Canadian formations was also a "military" consideration.

9. THE WAR COMMITTEE, after further discussion, approved the instructions submitted with certain amendments to paragraph 11 thereof.[112]

...

325. DEA/49s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 93 Ottawa, May 25, 1944

TOP SECRET. Your telegram No. 82. Following from the Prime Minister, Begins: The general line of policy which General Eisenhower has suggested should guide all official statements which may be made at the time of the opening of "OVERLORD" seems to me sensible and I shall be glad to follow it. We are very anxious to avoid any repetition of misunderstandings between governments about the wording of official announcements which developed during the opening days of the "HUSKY" operation.[113] To this end we have agreed to the use of the word "Allied" as the initial description in the official communiqué of the forces taking part in "OVERLORD." We feel that this same usage should be strictly followed in all proclamations, avis, etc., which may be issued at the same time as the first official communiqué and that specific reference to the fact that United Kingdom or United States forces are engaged in these operations should be withheld until such time as the Supreme Command consider it likewise safe to release the information that Canadian forces are involved. Ends.

326. DEA/49s

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1062 Ottawa, June 2, 1944

IMMEDIATE. TOP SECRET. Following from Robertson, Begins: Reference my telegram No. 1007 of May 25,† official statements at the opening of "Overlord."

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[112]Voir C. P. Stacey, *Six années de guerre. Histoire officielle de la participation de l'Armée canadienne à la Seconde Guerre mondiale.* Volume III: *La campagne de la victoire. Les opérations dans le nord-ouest de l'Europe, 1944-1945.* Ottawa, Imprimeur de la Reine, 1960, pp. 683-5.

See C. P. Stacey, *Six Years of War. Official History of the Canadian Army in the Second World War.* Volume III: *The Victory Campaign. The Operations in North-West Europe, 1944-1945.* Ottawa, Queen's Printer, 1960, p. 647-9.

[113]Voir le volume 9, documents 301 à 316.

See Volume 9, Documents 301 to 316.

No acknowledgment has as yet been received concerning the views expressed in my telegram No. 93 to Dominions Office about references in official statements to United Kingdom and United States forces. We are very anxious to make sure that such specific references will not be made until information on Canadian forces can be released. Please check this point.

It is assumed that the use of the word "Allied" as the official description in the initial communiqués applies to naval and air forces as well as the ground troops. If this is not so, it is desired to know as soon as possible what distinction will be made and at what stage there may be reference to national air or naval forces.

A message from Stuart to Murchie of May 31' gives the information that a "stand-by" warning will be sent via radio thirty minutes before release of the first communiqué. As no indication can be given to assist the monitors as to the time that the warning is likely to be received, it would be useful to know what form it will take. This is being checked by Murchie with Stuart. Arrangements also indicate that simultaneously with announcement of the communiqué over the radio the text will be sent by direct cable circuit to O.W.I.[114] in Washington and from there to Ottawa. This may involve some delay and I should like to know whether it might be possible to have the text sent simultaneously en clair via Canada House as a "clear the wires, most immediate" message. If this could not be done very quickly, it would be of no assistance, but if it could be accomplished with sufficient speed it might help as radio reception of the communiqué may not be good.

The second stage of announcements will be that at which specific reference is made to the participation of national forces. It is very desirable that adequate warning should be received here of the first communiqué which will so identify participating forces, as the Prime Minister will doubtless wish to make a statement here at the very first opportunity. At least four hours' notice of this would be desirable. Presumably such notice could be given to you to be transmitted to me immediately, if possible including actual text. Please ascertain whether this can be arranged as the government attach importance to this feature.

Full details on the points referred to above would be appreciated as soon as possible. Ends.

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[114] Office of War Information.

327. DEA/49s

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1351 London, June 3, 1944

IMMEDIATE. TOP SECRET. Following for Robertson, Begins: Your telegram No. 1062 of June 2nd. Official statement at the opening of OVERLORD. The United Kingdom authorities have impressed upon the Chief of Staff SHAEF the importance of making no specific reference to the United Kingdom and United States forces until such time as Canadian forces can also be mentioned. Until then the word "Allied" will be employed and will cover the naval and air forces as well as the ground troops.

2. With regard to the standby warning before the release of the first communiqué and the arrangements for cabling the text of the communiqué, United Kingdom authorities are of the opinion that these are matters which can be most effectively handled by General Stuart with SHAEF. I have discussed this with General Stuart who is taking it up as a matter of urgency with SHAEF.

3. With regard to the question of adequate warning being given of the first communiqué containing specific reference to the participation of national forces, the United Kingdom authorities consider that in this matter also the only really satisfactory channel of communication would be through SHAEF to General Stuart and thence to N.D.H.Q. They point out that in a situation of this kind which may develop rapidly from day to day, and possibly from hour to hour, the use of any other channel would complicate matters and involve delays. General Stuart is accordingly raising with SHAEF the question of the arrangements for informing the Canadian Government in advance of the first communiqué which will identify the participating forces.[115] Ends.

328. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet[116]

Extract from Minutes of Cabinet War Committee[116]

SECRET Quebec, September 14, 1944

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[115] Pour l'annonce du Premier ministre voir Canada, Chambre des Communes, *Débats*, 1944, vol. IV, p. 3700.
For the Prime Minister's announcement, see Canada, House of Commons, *Debates*, 1944, Volume IV, p. 3562.

[116] Cette réunion a eu lieu pendant la Conférence de Québec.
This meeting took place during the Quebec Conference.

CENTRAL MEDITERRANEAN OPERATIONS

17. THE PRIME MINISTER enquired whether any decisions had been taken regarding future operations in the central Mediterranean which might involve the First Canadian Corps.

18. THE U.K. PRIME MINISTER emphasized the heavy character of the fighting now going on in Italy. It could be expected that these operations would continue to be arduous for some time to come. Future strategy in the Mediterranean theatre would have to be determined according to the progress of events and it was hoped that the Canadian Corps would continue with the Allied forces there until the job was done.

...

329. DEA/22-Ss

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 161 London, September 26, 1944

TOP SECRET. Addressed Canada No. 161, New Zealand No. 210, Union of South Africa No. 67.

In conjunction with United States Chiefs of Staff, our Military Advisers have been considering arrangements for occupation of certain areas in Mediterranean theatre in the event of German disintegration or withdrawal.

2. The Directive issued to General Wilson by Combined Chiefs of Staff instructs him to plan for immediate despatch of:

Four divisions and small tactical air force to Austria, a division of British troops and small air force to Greece, approximately 2,400 men to Dodecanese, approximately one division to Venezia Giulia. It has been agreed that French and Italian divisions will not be used and also that United States forces will be withdrawn as soon as practicable after cessation of hostilities.

3. It is not at present intended to despatch forces from Mediterranean theatre to Hungary, Yugoslavia, Albania, Roumania or Bulgaria except such guards as may be required in connection with the distribution of supplies and possibly British naval assistance in the administration of Danube, if the Russians agree.

4. A further commitment after defeat of Germany will be maintenance of internal security in Middle East.

5. We are proceeding on the assumption that you will wish arrangements to be made for your forces in this theatre to be repatriated as early as possible after the defeat of Germany. You will, however, appreciate that repatriation time-table will depend on prevailing circumstances with regard to shipping, etc., which may involve some inevitable delay between cessation of hostilities with Germany and date of embarkation. We should be glad to know if you would permit Dominion forces to be used during any such interval in

occupation duties in Austria, Greece or Dodecanese or for internal security duties in the Middle East should this be considered desirable.

330. W.L.M.K./Vol. 356

Le haut commissaire de Grande-Bretagne au secrétaire aux Dominions

High Commissioner of Great Britain to Dominions Secretary

TELEGRAM 2636 Ottawa, October 22, 1944

IMMEDIATE. TOP SECRET. Decypher yourself. Following personal from the Prime Minister for Prime Minister Churchill, Begins:

1. I am faced with the most critical situation which has arisen since Canada's entry into the war. It is beset with possible consequences so dangerous to the remainder of Canada's war effort in Europe and Asia, to the future of Canada, to future relations within the Commonwealth, and to all Government war activities and policies, including those being considered with respect to organization for maintenance of world peace that I feel I should inform you of the situation, and seek information from you on certain matters which are relevant to the decision which we here will have to take.

2. The War Committee of our Cabinet had presented to it on the 19th instant a report by General Stuart, the Chief of Staff of the Canadian Army,' who returned from England with Colonel Ralston, the Minister of Defence, on the preceding day, which report is dated the 19th instant and concludes as follows:

(Quote) "I am satisfied that the reinforcements sent and being sent to both theatres have been well trained. I am satisfied that up to the present time reinforcements have been adequate in respect to overall numbers but, for a series of military reasons beyond my control, I must admit that reinforcements have been inadequate as to numbers in respect to the infantry arm. I am not satisfied, and I have attempted to express my reasons in this letter, that anticipated reinforcements will be adequate to meet future requirements of this war against Germany. I recommend, therefore, if the numbers required cannot be found from General Service personnel in Canada, that the terms of service of N.R.M.A. personnel be extended to include overseas service in any theatre." (End Quote).

3. To carry out any recommendation involving conscription for service overseas would necessitate the reassembling of Parliament which has been adjourned till January 31st, 1945, the most acrimonious discussion in the House of Commons, the possible defeat of the Government, and most certainly a dissolution of Parliament itself to be followed by a general election extending over two months, this length of time being required by our Election Act so as to permit of obtaining the votes of the Armed Services in different parts of the world.

4. Having in mind necessary preliminary Cabinet discussion, I doubt if Parliament could be brought together before the end of the first week of November, more likely it would be the middle of the month as our 7th Victory Loan campaign has just begun and ends only on November 13th. The

discussion in Parliament might last till the end of November. The application of closure, for such a debate, at this time, is, I believe, out of the question. Assuming a dissolution on November 15 or November 30, it would be January 15 or January 30 before the results of the election would be known, and even then there would be no certainty as to the result. Whatever the result, a new Parliament would have to be summoned and assuming a verdict favourable to conscription more time would have to elapse before effective action could be taken.

5. The issue in Parliament and in a general election would be conscription for service overseas, either as necessary to maintain the Canadian army at full strength for the duration of the war in Europe, or as necessary for the winning of the war.

6. As the Government's policy of a general election in spring, if not before, was announced months ago, if at this stage of the war conscription for overseas service became an issue I can see no escape from the bitterest controversy Canada has ever known in her Parliament or in the country. How perilous such controversy might become at any moment and how far reaching in its consequences in relation to all further war and post-war plans, and for Canadian unity for years to come, I would not venture to predict.

7. This is the situation as I see it. I know what it would mean to our enemies to have a divided Canada to point to as evidence of the possible break up of the Empire if they can only continue resistance long enough. In these circumstances it would help me in taking the necessary decisions to have your views on two controlling questions (1) the probable duration of the war in Europe and (2) the likelihood of the Canadian Army being engaged in the next large operation. Field Marshal Montgomery told Ralston that he did not expect they would be needed for it. If you have any information on these points, I should be glad to have it.

8. In no way do I desire to shift any responsibility upon you for a decision. I am quite prepared, as it is my duty, to become responsible for any decision the Canadian Government may take in relation to any matter of policy in so far as it relates exclusively to the Canadian forces. I recognise however that in this matter I have a special responsibility to bring to the attention of yourself what is involved in the decision to be reached and wherein it cannot fail to have far reaching effects upon the immediate and prospective efforts of all the United Nations including those of the United Kingdom.

9. It is for these reasons that I have felt it necessary to bring the situation described to your attention and that I feel I must in the interests of all concerned, seek the widest measure of guidance and assistance in endeavouring to find a solution which will prevent the appalling consequences I foresee, if a course cannot be found which will avoid the risks involved in raising in Canada an overseas conscription issue at this time.

10. This I believe is the first and only occasion since the beginning of the war that I have felt it imperative to ascertain your views before deciding on a matter of policy which is one for the Government of Canada to decide. As,

however, the present situation is one which is anything but exclusively Canadian in its bearings, I know you will appreciate why I feel it to be of the utmost importance to ascertain your views, in so far as you may wish to express them, before a final decision is reached.

11. I am glad to gather that your recent meeting with Stalin has had such satisfactory results. Kindest regards.

MACKENZIE KING.

Ends.

331. W.L.M.K./Vol. 364

Le haut commissaire de Grande-Bretagne au Premier ministre

High Commissioner of Great Britain to Prime Minister

TOP SECRET Ottawa, October 27, 1944

Dear Prime Minister,

I enclose a copy of the telegram which I sent to Lord Cranborne yesterday evening. I hope you will think it all right.

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

Le haut commissaire de Grande-Bretagne au secrétaire aux Dominions

High Commissioner of Great Britain to Dominions Secretary

TELEGRAM 2672 Ottawa, October 26, 1944

IMMEDIATE. TOP SECRET. Decypher yourself. Following personal for Secretary of State from High Commissioner.

My telegram No. 2665.[1]

1. Mr. Mackenzie King came to see me this evening to tell me of the latest situation in the Cabinet.

2. The War Committee of Cabinet and also the full Cabinet have discussed conscription issue for the past three days. They may reach final decision at tomorrow's (Friday's) meeting.

3. Almost the whole Cabinet agree with view expressed in Mr. Mackenzie King's message to Mr. Churchill that raising of conscription issue now, when defeat of organised German resistance appears to be certain within a few months, will destroy national unity in Canada, prejudice Canada's future war effort in both Europe and the Pacific and have wide and grave post-war consequences. I need not go into detailed statement of reasons for this. The experience and judgment of Mr. Mackenzie King, supported by almost all his Ministerial colleagues, regard it as a fact.

4. Colonel Ralston, however, feels it his duty as Minister responsible for Army to urge immediate taking of whatever steps are necessary to introduce conscription. Mr. Mackenzie King still holds that these steps would involve a delay of almost three months before conscription could be imposed. Almost all his Cabinet colleagues agree with him that in present circumstances it would not be possible to introduce conscription except after Parliamentary debate and a General Election. Colonel Ralston disputes this and says that if he is defeated in the Cabinet he will resign. If a vote is taken in the Cabinet tomorrow he is likely to hand in his resignation then and there. Though two or three other Ministers agree at least in part with him on the general issue, Mr. Mackenzie King does not think thay they would go so far as to resign.

5. However, Colonel Ralston's resignation would start the train of evil consequences which Mr. Mackenzie King foresees if this situation is allowed to develop.

6. In the light of the above the two questions which Mr. Mackenzie King asked Mr. Churchill in his message contained in my tel. No. 2636 are of course very relevant. First, what are his views as to the probable duration of war in Europe? Second, what is the likelihood of the Canadian Army being engaged in the next large operation? The Canadian military authorities have assured the Cabinet that in any case the reinforcement position will be all right until the end of this year. They are worried about position after that. Their estimated shortage then, if the Canadian Army is to be maintained at its present strength, is 15,000 (fifteen thousand) men.

7. Mr. Mackenzie King fully recognises that Mr. Churchill needs ample time to make the enquiries necessary for considered answers. He does not press for a reply any earlier than is convenient to him. But he would be grateful if in meantime he could receive a message saying that matter is being carefully considered. This would enable him to keep the Cabinet from reaching a final decision and Colonel Ralston from deciding irrevocably on resignation before the Cabinet is in possession of such information on the two questions as highest authorities in London can provide.

8. By this means he could hold the situation for a few days. He hopes that he can avert the storm altogether. But at present it is brewing very badly and it may still get right beyond his control.

9. I told him that I would send you this report of the situation for Mr. Churchill's information.

332. W.L.M.K./Vol. 373

Le secrétaire aux Dominions au haut commissaire de Grande-Bretagne

Dominions Secretary to High Commissioner of Great Britain

TELEGRAM 2338 London, October 27, 1944

MOST IMMEDIATE. TOP SECRET AND PERSONAL. Decypher yourself. Following top secret and personal from Prime Minister for Mr. Mackenzie King. Begins:

1. I have in strict secrecy consulted the Chiefs of Staff and in answer to your two questions in para 7 of your No. 2636 they advise with my concurrence that the reply to (1) should be "That war in Europe may well go on until the summer of 1945," and to (2) "it must be anticipated that the Canadian Army will be engaged in large scale operations for the final defeat of Germany but we cannot say yet whether they will be in the next operation as plans are not yet complete." I do not of course know what numbers are involved in the next six months or so.

2. Naturally I am much concerned at the difficulties you mention to me, the seriousness of which I can fully appreciate. But I feel from your para 8 that no comment is called for from me at this juncture. Whatever you may decide you may be sure that it would in no way prevent His Majesty's Government and myself from continuing to pay the warmest tributes to the brilliant and massive help which the Canadian Army has given to the whole of our war effort, for which the British nation will ever remain profoundly grateful. Ends.

333. DEA/22-Ss

Mémorandum du sous-secrétaire d'État associé aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Associate Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

TOP SECRET Ottawa, November 7, 1944

No reply has yet been sent to telegram No. 161 of September 26th from the Dominions Office in which we were asked whether we would permit Canadian forces to be used on occupation duty in Eastern Europe in the interval between the defeat or withdrawal of German forces and the time at which repatriation would be possible. While this telegram has not been followed up from London, it is desirable that we should send a reply.

The Combined Chiefs of Staff have instructed General Wilson to despatch immediately after German disintegration or withdrawal the following forces:

1. Four divisions and a small air force to Austria;

2. One division and a small air force to Greece; (This has presumably been accomplished by the despatch of the British forces now in Greece)

3. 2400 men to the Dodecanese Islands;

4. About one division to northwestern Italy.

The request to us is based on the assumption that we will want our forces to be repatriated as soon as possible. It is not altogether clear from the telegram whether any U.S. forces will be employed but since the telegram states that it has been agreed that French and Italian divisions will not be used and that U.S. forces will be withdrawn as soon as possible after the cessation of hostilities, the inference is that the troops mentioned above are to be provided from the British Commonwealth. There is in addition a possibility that

Commonwealth troops will be needed for the maintenance of internal security in the Middle East.

We might make the following points in our reply:

1. They are correct in thinking that we desire the repatriation of our forces in this theatre as soon as practicable. In addition to this we would welcome, if possible, the transfer of the Canadian troops in Italy to North Western Europe so as to unite all Canadian troops within the First Canadian Army.

2. If this proves quite impossible for reasons of transport so that the Canadian forces will have to remain in the Mediterranean theatre for some period after the end of hostilities, we would not be willing to have them employed in Greece, the Dodecanese or the Middle East. We are also not willing to provide any forces for occupation duty in Austria or northern Italy except on the most explicit understanding that this employment would be for the shortest feasible term. If, however, the intention is to repatriate the U.S. forces at present in Italy immediately the fighting ends, it will not be feasible for Canadian forces to be used for occupation duty even for a brief period.

3. In any event we could not permit more than one (?) division from the Canadian forces now in Italy to be used on temporary occupation duty.

I am not at all satisfied with this reply, which may be quite incorrect. I put it forward so as to have something to start from. I think Mr. Heeney plans to put the question on the agenda of the next War Committee and I am, therefore, sending him a copy of this note.

H. W[RONG]

334. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, November 9, 1944

...

EMPLOYMENT OF CANADIAN TROOPS IN TEMPORARY OCCUPATIONAL DUTY

15. THE SECRETARY read a communication from the U.K. government, enquiring whether Canadian forces in the Mediterranean theatre would be available, between the cessation of hostilities and the date of embarkation, for temporary occupational duties in Austria, Greece or the Dodecanese or for internal security duties in the Middle East.

(Telegram, Dominions Office to External Affairs, No. 161, Sept. 26, 1944).

16. THE MINISTER OF NATIONAL DEFENCE[117] reported that the Chief of the General Staff recommended against this proposal on the ground that it had

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[117]Le général A. G. L. McNaughton. J. L. Ralston avait démissioné la 1er novembre.
General A. G. L. McNaughton. J. L. Ralston had resigned November 1.

always been the intention that the 1st Canadian Corps in Italy should rejoin the 1st Canadian Army in Northwest Europe, as soon as practicable. In his opinion it was most desirable that Canadian occupational duties should be concentrated in one area instead of in several.

(Memorandum, C.G.S., Sept. 28, 1944).'

17. THE WAR COMMITTEE, after discussion, agreed that, in reply to the U.K. government's enquiry, it should be pointed out:

(1) that the government desired the repatriation of Canadian forces in the Mediterranean theatre as soon as practicable and, in addition, would welcome, if possible, the transfer to Northwest Europe of Canadian troops now in Italy so as to unite all Canadian forces within the 1st Canadian Army;

(2) that, if the uniting of Canadian forces under the 1st Canadian Army proved quite impossible for reasons of transport so that Canadian troops would have to remain in the Mediterranean theatre for some period after the end of hostilities, the government would not be willing to have them employed in Greece, the Dodecanese, or the Middle East, nor would the government be willing to provide occupation forces for duties in Austria or Northwest Italy except on the most explicit understanding that it would be for the shortest feasible term.

It was also agreed that representations should be made to the effect that the government would expect that, at the end of hostilities, shipping would be made available for the repatriation of Canadian forces in the same proportion as for U.S. forces, and that reference to this should be included in the reply to the U.K. government.

...

335. DEA/22-Ss

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 221 Ottawa, November 14, 1944

TOP SECRET. Your telegram No. 161 of September 26th. We are now able to give a considered reply to your enquiry concerning the possible use of Canadian forces for temporary occupation duty in the Mediterranean theatre.

2. You are correct in assuming that the Canadian Government wishes arrangements to be made for the repatriation of Canadian forces in this theatre as soon as possible after the defeat of Germany. The Canadian Government, furthermore, would welcome the transfer, if possible, of Canadian troops now in Italy so as to unite all Canadian forces within the First Canadian Army even before the defeat of Germany.

3. We realize, however, that the reunion of Canadian forces under the First Canadian Army may prove impossible for reasons of transport, and that Canadian troops may have to remain in the Mediterranean theatre for some

period after the end of hostilities. In that event we would not be willing to have Canadian formations stationed in Greece, the Dodecanese or the Middle East. If operational or other considerations pointed to the desirability of employing some Canadian troops for occupation duty in Austria or Northeast Italy, we would consent only on the most explicit understanding that this employment would be for the shortest feasible term in the light of the repatriation arrangements.

4. We note that it has been agreed that United States forces will be withdrawn from this theatre as soon as practicable after the cessation of hostilities. We desire to make it clear that we would expect that shipping would be made available for the repatriation of Canadian forces in the same proportion as for the repatriation of U.S. forces. You will readily appreciate that we could not agree to the general return of U.S. forces from the theatre to this continent before repatriation of Canadians began.

336. W.L.M.K./Vol. 368

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre

Memorandum from Secretary, Cabinet War Committee, to Prime Minister

PERSONAL AND TOP SECRET Ottawa, November, 17, 1944

I beg to append a brief note on my call on Mr. Roosevelt on Wednesday afternoon, 15th November.

I first conveyed to the President your warm congratulations on his re-election. Mr. Roosevelt seemed very pleased to receive your message and particularly asked me to convey to you the expression of his warmest regard.

I then proceeded to acquaint him of the Army reinforcement problem now confronting the Government. Briefly, I said that the seriousness of the position had first been reported to the Cabinet War Committee by the then Minister of National Defence on 19th October. I described the situation that Mr. Ralston had anticipated would exist on 31st December next.

I then told him the grave view you took of the matter and explained how you had given it anxious and prolonged consideration, not only to ensure that it be examined from every possible aspect but also so as not to jeopardize the success of the current Canadian War Loan, and not least, to avoid any possible adverse effect on his Presidential electoral campaign.

I added that you had several times observed that should events in Canada develop in such a way as to bring about an attempt to enforce overseas conscription at this stage of the war, then there could be little or no hope of carrying the assent of our people to the proposition of the use of force contained in the Dumbarton Oaks scheme for international security.

When I rose to take my leave, the President again asked me to bring you his best wishes and to assure you that he would be glad to be of any possible help to you in the psychological field.

MAURICE POPE

337. DEA/22-Ss

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 207 London, November 29, 1944

TOP SECRET. Your telegram No. 221 of 14th November. We have noted the desire of the Canadian Government to reunite, if possible, all Canadian forces within the First Canadian Army, though this may, we fear, prove impossible not only for reasons of transport, which you mention, but also because at any rate in the foreseeable future, the resulting weakening of our forces in the Mediterranean might involve risks which could not be accepted.

2. We are grateful for permission to use Canadian troops for occupational duties in Austria or north east Italy and confirm that this employment would be for the shortest possible time.

3. We fully appreciate the desire of the Canadian Government that Canadian forces should be repatriated *pari passu* with United States forces. When the time comes, every effort will be made to meet their wish consistently with operational requirements which you will, we are sure, agree must be overriding.

338. DEA/53-Cs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 235 Ottawa, December 10, 1944

SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: I feel you might like to have some comment from Canada on the controversy arising from the events in Greece, Italy and to a lesser degree Belgium. I have read with the greatest interest the reports of your vigorous defence of your policy at Westminster yesterday[118] and I am glad to note that the debate ended in your being upheld on the vote of confidence by such a large majority.

2. You are doubtless already aware that the situations giving rise to this controversy, especially that in Greece, are causing some concern in Canada. I am doing what I can to avoid any declaration which might conceivably increase your difficulties. The leader of the C.C.F. questioned me in the House of

[118] Voir Grande-Bretagne, Chambre des Communes, *Débats*, cinquième série, volume 406, colonnes 924-47.
See Great Britain, House of Commons, *Debates*, Fifth series, Volume 406, Columns 924-47.

Commons on December 6th concerning the attitude of the Canadian Government, and I give the text of his question and of my reply in my immediately following telegram.[119]

3. Naturally we have been particularly anxious over the trans-Atlantic discussion of these matters which has followed the issue by Stettinius of his public statement.[120] The winds that blow in the United States do not lose their force at the international boundary. Public opinion in Canada is worried over both the events themselves and their repercussion on Anglo-American relations.

4. Please do not think that I am passing judgment on the necessity of British military action against ELAS[121] or on the suitability of Count Sforza[122] for high office in Italy. I fully appreciate the difficulties and dangers which have to be faced and know that there is no simple solution of these problems. I thought that you might wish to learn from me, however, of the interest with which the development of these incidents is being followed here.

5. May I add as a postcript that if the views held by the Greek community in Canada are any clue to Greek opinion, there is very little monarchical sentiment among the Greeks.

339. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, December 11, 1944

...

ARMY; EMPLOYMENT OF CANADIAN TROOPS IN SOUTH-EAST EUROPE

22. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS read a telegram from the U.K. government in answer to the message sent, following the meeting of November 9th, with regard to the employment of Canadians in temporary occupation duty.

The U.K. government noted the Canadian desire to have Canadian forces united within the First Canadian Army at the earliest opportunity, but pointed out the impossibility of such a move, at this stage, for reasons of transport and the resulting weakening of Allied forces in the Mediterranean.

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[119] Voir Canada, Chambres des Communes, *Débats*, 1944, volume VI, pp. 7081-2.
See Canada, House of Commons, *Debates*, 1944, Volume VI, pp. 6843-4.

[120] Voir États-Unis, *Department of State Bulletin*, vol. 11, 10 décembre 1944, p. 713.
See United States, *Department of State Bulletin*, Vol. 11, December 10, 1944, p. 713.

[121] Armée nationale populaire de libération, Grèce.
People's National Army of Liberation, Greece.

[122] Ministre sans portefeuille dans le gouvernement du maréchal Badoglio.
Minister without Portfolio in the Government of Marshal Badoglio.

The U.K. government expressed appreciation of the government's consent to the employment of Canadians for temporary occupational duty in Austria and Northeast Italy and noted the desire that Canadian forces be repatriated *pari passu* with U.S. forces. Every effort would be made to meet this wish, when the time came, consistent with operational requirements which, it was pointed out, must be over-riding.

(Telegram No. 207, Dominions Office to External Affairs, Nov. 29, 1944).

23. THE MINISTER OF NATIONAL DEFENCE read a message from Lieutenant-General Montague,† reporting a conversation which Major-General Weeks[2] had had with Field Marshal Alexander prior to the former's departure from the Mediterranean theatre.

This indicated the likelihood of the Canadian Corps' being in rest and training for January and February and the possibility of their employment, subsequently, in an amphibious operation against the Dalmatian Coast.

It was not clear whether or not the Corps Commander in Italy possessed under his instructions authority for movement of the Corps for such an operation and a copy of Lieutenant-General Foulkes' instructions† had been requested from Canadian Military Headquarters, London. The position would be reviewed when these had been received.

24. THE PRIME MINISTER stated that it should be quite clear that Canadians could not be employed in such an operation or, indeed, despatched from Italy without the government's approval.

Operational areas for Canadian troops should be carefully restricted; otherwise there was danger that they might become involved in civil strife such as was now taking place in Greece and other liberated countries.

25. THE WAR COMMITTEE, after discussion, noted the reports given and agreed that, upon receipt of further information, the Minister of National Defence would consider further the question he had raised with a view to subsequent report.

...

340. DEA/53-Cs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 239 Ottawa, December 15, 1944

SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: My telegrams Nos. 235 and 236† of December 10th. In the present difficult and painful situation in Greece we feel it essential that no

[2] Officier responsable, grand quartier général, premier échelon, force de la Méditerranée centrale, théâtre des opérations méditerranéen.
Officer-in-Charge, General Headquarters, First Echelon, Central Mediterranean Theatre of Operations.

Canadian forces should be despatched there except after the Canadian Government has had an opportunity to consider and approve. I do not suppose that there is any intention to send Canadian troops from Italy but the present instructions given to the Commander of the Canadian Corps would permit the employment of forces under his command anywhere in the Mediterranean theatre. We are, therefore, about to amend his instructions so as to make it clear that Canadian troops may not be sent outside Italy without the concurrence of the Canadian Government. This formal step seems necessary since I have given a public assurance that Canadian troops will not serve in Greece without the consent of the Canadian Government.

In this connection I may refer to our telegram No. 221 of November 14th to the Secretary of State for Dominion Affairs in which we already made it clear that we were not willing to have Canadian formations stationed in Greece on occupation duty.[124]

I appreciate the acute anxiety which this unhappy matter is causing you and your colleagues and I earnestly hope that a solution may soon be found.

341. DEA/53-Cs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 216 London, December 16, 1944

Your telegrams No 235 and No. 236.† Following for Mr. Mackenzie King from Prime Minister. Begins: Many thanks for your telegrams. I was very glad to have your account of the state of feeling in Canada about Greece and fully realise your difficulties. I read with admiration your statesmanlike reply to the Leader of the C.C.F. which focussed these fundamental issues which are so often forgotten by those engaged in the day to day business of politics. As I said in the House of Commons yesterday, this is a matter which is causing much heart searching in this country also.

I have done my best in the House to make our position clear. The essential point to my mind is that the Greek Prime Minister, with the written assent of all parties including the E.A.M.,[125] invited British troops into Greece to maintain order and safeguard supplies. This invitation we accepted and must still do our best to carry out. It is an ungracious task, but we could not with honour shirk our responsibilities. The situation with tempers inflamed on both sides in Athens is inevitably a difficult one. But Alexander's visit was of great

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[124]Voir Canada, Chambre des Communes, *Débats*, 1944, volume VI, p. 7081. Voir aussi G. W. L. Nicholson, *Les Canadiens en Italie, 1943-1945*. Ottawa, Imprimeur de la Reine, 1960, note, p. 687.
See Canada, House of Commons, *Debates*, 1944, Volume VI, p. 6844. See also G. W. L. Nicholson, *The Canadians in Italy, 1943-1945*. Ottawa, Queen's Printer, 1957, footnote, p. 658.

[125]Front de libération national.
National Liberation Front.

value and the latest reports are on the whole more encouraging. Cranborne will keep you fully informed about what is happening. Ends.

342. DEA/53-Cs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 217 London, December 16, 1944

MOST IMMEDIATE. SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: Your telegram No. 239.

1. I was surprised and grieved at the suggestion that you might find it necessary to issue a public statement that Canadian troops shall not be used in Greece. Such a statement could only increase our difficulties and postpone a settlement of the present troubles in that country. It would be generally regarded throughout the world as a dissociation of Canada from the policy of His Majesty's Government and a marked reflection on our credit and honour. We went into Greece at the invitation[126] of a Greek Government composed of all parties including E.A.M. and Communists. We went in with the approval of the United States and the assent of Russia to bring to the Greek people food and order. We cannot abandon this task without loss and a blow to British prestige. It is on such occasions as this that the British Commonwealth should stand together.

2. We have never in fact had any intention of proposing that Canadian troops should be sent to Greece. Specific orders to this effect have been sent to Field Marshal Alexander and your mind may, therefore, be quite at ease on that point. But a public statement at the present juncture by the Canadian Government that they had asked for such an assurance would be disastrous. The United States landing craft and aircraft are continuing their assistance to the British troops after the point had been decided at Washington. It would be a great pity for Canada to take isolated action and for the Empire to be wounded in this fashion. I shall be broadcasting tomorrow (Sunday) night on the subject of Greece.[127] Ends.

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[126]Les mots suivants furent ajoutés ici peu après l'envoi du télégramme:
The following words were added here shortly after the telegram was sent:
the Greek Prime Minister and with the knowledge of

[127]Cette phrase fut retirée subséquemment.
This sentence was later deleted.

343. DEA/53-Cs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 241 Ottawa, December 18, 1944

MOST IMMEDIATE. SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: Your telegram No. 217. I can only conclude that my telegram No. 239 was garbled in transmission. It contained no suggestion that I might issue "a public statement that Canadian troops shall not be used in Greece" nor have I had any intention so to do. What I said was that I had given an assurance that Canadian forces should not be sent there without the consent of the Canadian Government. I do not see how as the head of the Canadian Government I could make any other reply once the question was raised. I sincerely hope it will not be necessary for me to make any further public statement on this matter.

This of course is quite different from what you have assumed and should not increase your difficulties, which is the last thing I should wish to do. I trust this word of explanation has made the position entirely clear.

I am glad to learn of the orders issued to Field Marshal Alexander. Ends.

344. DEA/53-Cs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 219 London, December 18, 1944

TOP SECRET AND PERSONAL. Following from the Prime Minister for Mr. Mackenzie King, Begins:

1. In connection with our policy in entering Greece, I send you in my immediately following telegram[†] for your own personal and most secret information two telegrams which passed between me and the President in August,[128] the substance of which was confirmed by the signed conclusions of the second Quebec Conference shortly afterwards.[129] Will you kindly burn these telegrams when you have read them as they are from my private file with the President.

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[128] Voir États-Unis, *Foreign Relations of the United States*, 1944, volume V, Washington, U.S. Government Printing Office, 1965, pp. 132-4.
See United States, *Foreign Relations of the United States*, 1944, Volume V, Washington, U.S. Government Printing Office, 1965, pp. 132-4.

[129] Voir États-Unis, *Foreign Relations of the United States. The Conference at Quebec, 1944.* Washington, U.S. Government Printing Office, 1972, p. 472.
See United States, *Foreign Relations of the United States. The Conference at Quebec, 1944.* Washington, U.S. Government Printing Office, 1972, p. 472.

2. You would do well to read the Caserta Agreement, a copy of which has been published in the *Times* of today. I can have this telegraphed to you if you have not got the text.

3. I may say that I also had the verbal approval of Marshal Stalin to our entering Greece and liberating Athens and that, although Communists are at the root of the business, he has not so far made any public reflection on our action. You will see from these documents and statements, to which I could add, how perfect is the authority on which we acted. The War Cabinet is completely united on the action which has so far been taken. I have also received from Field Marshal Smuts a very strong telegram entirely on our side. Ends.

345. W.L.M.K./Vol. 374

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 221 London, December 19, 1944

IMPORTANT. TOP SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: Thank you very much for your telegram No. 241. You will by now also have received my telegram No. 219 showing how correctly we have acted. Ends.

346. DEA/53-Cs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 243 Ottawa, December 21, 1944

IMPORTANT. TOP SECRET. PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: Thank you very much for your telegrams Nos. 219 and 220.[†] I have burnt the private messages contained in them. Ends.

347. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, December 22, 1944

...

ARMY; EMPLOYMENT IN MEDITERRANEAN AREA

15. THE MINISTER OF NATIONAL DEFENCE reported that, since this question had been discussed by the War Committee on December 11, he had found that, under the present instructions, the authorized employment of the Canadian Corps extended to the whole Mediterranean theatre.

Canadian Military Headquarters, London, had, therefore, been instructed to issue a directive to the Commander of the 1st Canadian Corps limiting to Italy the area in which Canadian forces could be employed.

16. THE PRIME MINISTER said that, in advance of the action taken by the Minister, he had sent a message to the Prime Minister of the United Kingdom stating that the government felt it essential that no Canadian forces should be despatched to Greece, except after the government had had an opportunity to consider and to approve any proposal to this end; the instructions of the Corps Commander were, therefore, being amended accordingly.

(Telegram No. 239, External Affairs to Dominions Office, Dec. 15, 1944).

17. MR. KING then read subsequent messages on the subject which had passed between the U.K. Prime Minister and himself.

Mr. Churchill had at first misunderstood the Canadian position; in his reply he had expressed surprise and concern that it might be found necessary for the Prime Minister to issue a public statement that Canadian troops would not be used in Greece.

It was, of course, not intended that any public statement be made. The point which it was desired to have perfectly clear was that Canadian forces would not be employed outside of Italy without the government's consent. A later message had cleared up this misconception satisfactorily. The government's position was now understood in London and a definite assurance had been received that there was no intention of employing Canadian troops in Greece.

(Telegrams No. 217 Dominions Office to External Affairs, Dec. 16; No. 241 External Affairs to Dominions Office, Dec. 17; No. 221 Dominions Office to External Affairs Dec. 19, 1944).

18. GENERAL MCNAUGHTON said that, in this connection, there were certain complex questions relating to the directives and orders of detail issued to Canadian Commanders, which required clarification. These were now being studied by the Judge Advocate-General and the Legal Advisor of the Department of External Affairs.

19. THE WAR COMMITTEE, after discussion, noted with approval the reports of the Prime Minister and the Minister of National Defence.

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348. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET Ottawa, January 8, 1945

...

EMPLOYMENT OF CANADIAN FORCES IN EUROPE; MEDITERRANEAN OCCUPATION

18. THE SECRETARY, referring to the discussion at the meeting of December 11th, reported that a directive had been issued by the Combined Chiefs of Staff to the Supreme Allied Commander, Mediterranean, on the subject of the occupation of territories in this theatre, in the event of an enemy withdrawal.

This directive had been issued at the request of the representatives of the U.K. Chiefs of Staff as a direct consequence of an exchange of telegrams between the Canadian and the U.K. governments and the effect was to restrict the employment of Canadian troops to temporary occupational duties in Austria and North-East Italy.

(Combined Chiefs of Staff directive, Dec. 12, 1944—CCS 684/1.)'

19. THE WAR COMMITTEE noted the Secretary's report concerning the issue of this directive.

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349. DEA/41s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 27 London, February 8, 1945

IMMEDIATE. TOP SECRET AND PERSONAL. Following from the Prime Minister to Mr. Mackenzie King, Begins: I am now in conference with President Roosevelt and Premier Stalin[130] and we have been reviewing the conduct of the war against Germany. The Russians intend to press on without the slightest relaxation and the President and I are equally determined that operations on the Western Front shall be pressed with equal vigour. On the Italian front we cannot prevent the Germans withdrawing a number of divisions for use elsewhere if they so desire. We have therefore come to the conclusion in the general interest that we should withdraw five divisions from the Mediterranean so as to strengthen the forces under Field Marshal Montgomery. The President has suggested that these divisions should be Canadian and British. In view of the wishes you have expressed that the whole Canadian Army should be united in north-west Europe, I naturally warmly welcomed the President's proposal which has given us all great satisfaction. The flow of troops is to start at once so that the leading divisions may be in time for the decisive impacts in the spring. I have accordingly agreed that the Canadian Corps should be the first to move and I hope you will endorse my action which I feel is in accordance with your desires. All good wishes. Ends.

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[130] À la Conférence de Yalta, le 4 au 11 février 1945.
At the Yalta Conference, February 4-11, 1945.

350. DEA/41s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 38 Ottawa, February 9, 1945

IMMEDIATE. TOP SECRET AND PERSONAL. Reference your top secret and personal telegram No. 27. Following from Prime Minister for Mr. Churchill, Begins: I am very glad to learn from you that operational considerations now make it possible for the Canadian Army to be united again and that plans are in train for moving the Canadian Corps from Italy to Northwestern Europe. This will, I know, be a source of deep satisfaction to our soldiers. I am grateful for your remembrance of our wishes to have the whole Canadian Army united and thank you for the initiative that you have taken to bring this about. I should be pleased if you would join to your own an expression to the President of our government's appreciation of his proposal.

351. DEA/22-Us

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 81 Ottawa, April 2, 1945

TOP SECRET. Your telegram No. 207 of 29th November, 1944. The question of the repatriation of our forces after the defeat of Germany is causing us increasing concern. The encouraging reports from the Western Front give grounds for believing that the time is rapidly approaching when we shall be in urgent need of reasonably firm data on which to base our demobilization and reconstruction plans and when the public demand for information as to what will be both possible and probable under this head, will become most insistent.

2. While we naturally recognize that operational requirements should take precedence over those of repatriation, the fact that an appreciable number of our men are in their sixth year of service abroad, and that as regards the Army alone upwards of 100,000 men have already served for 3 years and more without any home leave, makes the Canadian problem a most pressing one.

3. We understand that the matter of combined shipping requirements has lately received the consideration of the Combined Chiefs of Staff, and, in the circumstances, we feel that some indication of a monthly rate at which it should be possible to effect the repatriation of Canadian service men not required for the war against Japan, or for occupation duty in Germany, should shortly be possible.

4. We have been led to understand that all or practically all of the troop-carrying capacity on the North Atlantic will be of British registry. If this be so it would appear that your staffs should soon be in a position to say what proportion of this tonnage could be made available and when, to meet our pressing needs.

5. You will, we are sure, be well aware of the importance that the Canadian people attach to this whole matter, and in the circumstances we should be glad of your support in this connection. We should also be glad of an indication as soon as possible as to the probable programme of repatriation of our troops and the likely monthly rate at which this can be done.

352. DEA/22-Us

Le secrétaire d'État par intérim aux Affaires extérieures au secrétaire d'État aux Affaires extérieures[131]

Acting Secretary of State for External Affairs to Secretary of State for External Affairs[131]

TELEGRAM D-41 Ottawa, April 26, 1945

SECRET AND PERSONAL. Following for Robertson from Heeney and Read. Begins:

1. You will note in the minutes of the special committee of the Cabinet of April 19th,† which I have forwarded to the Prime Minister, that the provision of shipping for repatriation of overseas forces and dependents was considered and the decision reached that strong representations should be made for the allocation of additional space for Canadian personnel.

2. Pursuant to this decision Murchie has instructed Montague to ask for additional space sufficient to move at least 150,000 persons during the first six months after VE day. This would compare with an estimated 80,000 which C.M.H.Q. London reported as being provisionally allocated to Canada.

3. Prior to your departure you drafted a telegram to Massey informing him that in all probability he would shortly be receiving instructions to take up this general question with the United Kingdom authorities with a view to improving the Canadian allocation. Reference was made in this draft† to the Prime Minister's conversation in Washington last month with President Roosevelt[132] when it was agreed that service personnel should be brought back from Europe to North America in order of their service overseas, in strict chronological priority, whether Canadians or Americans.

4. I now find that for some reason the latter telegram was not in fact despatched. Read and I have under preparation a telegram to Massey asking him to make appropriate representations in support of Montague's application in line with the Cabinet committee's decision and we would like to include the substance of the telegram you drafted earlier including the reference to the agreement Mr. King reached with Mr. Roosevelt so as to make it clear that we want to get at least equal treatment with the Americans in Europe on the

[131] Mackenzie King était alors à la Conférence de San Francisco.
Mackenzie King was then at the San Francisco Conference.

[132] Voir J. W. Pickersgill et D. F. Forster, eds., *The Mackenzie King Record*. Volume II, 1944-1945. Toronto, University of Toronto Press, 1968, p. 327. •P6•See J. W. Pickersgill and D. F. Forster, eds., *The Mackenzie King Record*. Volume II, 1944-1945. Toronto, University of Toronto Press, 1968, p. 327.

principle of first over, first back, but that in any event we would want space for a minimum of 150,000. We cannot do so, however, until we know whether you have cleared the matter with the Prime Minister.

5. Please let us have a reply as soon as possible as the Ministers are most anxious for early action. Ends.

353. DEA/22-Us

Le secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État par intérim aux Affaires extérieures

Secretary of State for External Affairs to Acting Under-Secretary of State for External Affairs

TELEGRAM H-43 San Francisco, April 28, 1945

IMMEDIATE. SECRET AND PERSONAL. Following from Robertson for Heeney and Read, Begins: Reference your D-41. Prime Minister has now approved language of my draft telegram to Massey of April 16th and has no objection to your using it in telegram you have in preparation. Ends.

354. DEA/22-Us

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne[133]

Acting Secretary of State for External Affairs to High Commissioner in Great Britain[133]

TELEGRAM 1010 Ottawa, April 30, 1945

SECRET AND PERSONAL. Reference your telegram No. 941 of April 4th† and our telegram No. 934 of April 19th.† The Government is very much concerned about the general problem of passage priorities for returning personnel after the end of hostilities in Europe. In conversation with the Prime Minister in Washington last month, President Roosevelt agreed that Service personnel not required for occupation duty should be brought back from Europe to North America in the order of their service overseas. This would involve a strict chronological priority, i.e., men, whether Canadians or Americans, who had been overseas for four years would be brought back before men who had been over for three years and so on. The President intended to have his own Service advisers work out the practical implications of this principle, but it is not yet clear whether he was able to do so before his death.

As you will fully appreciate, the question is one of great importance to the Government and people of Canada. We feel that some procedure will have to be worked out for associating Canada with decisions determining the allocation

[133] À l'exception de la référence au télégramme numéro 934 du 19 avril, le texte est le même que celui du projet du 16 avril mentionné dans les documents précédents.
Except for reference to telegram No. 394 of April 19, the text was the same as that of the draft of April 16 referred to in previous documents.

of passage priorities for Service personnel, so that we can be sure that our needs and views are taken into account in determining the priority of personnel movements, and those of servicemen's dependents who we have hoped could be brought back to Canada more or less *pari passu* with their Service next of kin.

I expect you will shortly receive instructions to take up this general question with the United Kingdom authorities. In the meantime, it may be helpful for you to know that the Government views the whole problem with a good deal of concern which has not been lessened by recent proposals for the sudden emergency movement of servicemen's dependents, of which they had received very little warning and for which they had not been able to make suitable reception arrangements.

355. DEA/22-Us

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1033 Ottawa, May 1, 1945

1. As you have already been informed in my telegram No. 1010 of April 30th, the government are very much concerned about the general question of passage priorities and the provision of shipping for returning personnel after the end of hostilities in Europe. The Ministers responsible feel that great difficulty and unrest will be bound to ensue unless the proposed allotment of shipping to Canada is very much improved and the allotment of shipping proceeded with on a basis which recognizes the principle of priority of "first over, first back." To this end the government wish you to make the strongest possible representations to the appropriate authorities in London.

2. In this connection you will recall the Prime Minister's discussion with Mr. Roosevelt, referred to in my No. 1010 when it was agreed in principle that service personnel, whether Canadian or American, should be brought back from Europe to North America in strict chronological priority, based on their length of service overseas.

3. Recently the general question was considered by a special committee of the Cabinet. The committee were informed by the Minister of National Defence that, according to estimates provided by C.M.H.Q., London, shipping likely to be made available to Canada in the six months following the defeat of Germany would be sufficient to lift only 80,000 out of a total, including dependents, of some 400,000 Canadians. The Cabinet committee felt that in view of public demand for the return of substantial numbers of service personnel reasonably soon after VE day, the provisional allotment reported by C.M.H.Q. would be quite inadequate.

4. It should be made clear to the United Kingdom authorities that the government will expect at least equal treatment with the United States forces on the principle of "first over, first back," but that in no event would an

allotment of less than the stated minimum of 150,000 be acceptable. It need hardly be emphasized that the government are prepared to take any shipping space in excess of this minimum that may become available.

5. In this connection you will doubtless recall, and have occasion to re-emphasize, the strong arguments peculiarly applicable to Canadian forces, as set out in my telegrams numbers 221 and 81 of November 14th, 1944, and April 2nd to the Dominions Office, particularly length of service overseas away from home.

6. The United Kingdom government will appreciate, in addition, the importance of personnel being returned in sufficient numbers to permit service demobilization to proceed step by step with industrial demobilization so that men may be fitted into employment as jobs develop.

7. The government desire that you press for consideration of this question at the soonest possible moment so that advance preparations may be made for organization overseas and in Canada.

8. You might take up the whole question personally with Lord Leathers.[134]

9. I suggest that you give copies of this telegram to Montague and the Canadian Joint Staff Mission.

356. DEA/22-Us

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1069 Ottawa, May 4, 1945

SECRET. 1. With reference to my telegrams numbers 1010 of April 30th and 1033 of May 1st, 1945, the government have given further consideration to the urgent question of the provision of shipping for the repatriation of Canadian overseas forces.

2. As a result of full examination of the situation by officials of the Departments of Munitions and Supply and National Defence, it has been concluded that, if adequate additional space cannot be provided from United Kingdom sources, the only practicable alternative course by which the minimum accommodation necessary could be obtained would be to recall 30 oil burning cargo ships of Canadian ownership, at present employed by the United Kingdom Ministry of War Transport in order to convert them for the carriage of from 500 to 700 men each. These ships would have to be in permanent ballast to permit maximum use.

3. In the general interest this course would involve serious results which the Canadian government wish to avoid, if at all possible. It would mean a reduction in cargo capacity from North America to Europe of 750,000 tons or

[134] Ministre des Transports de guerre de Grande-Bretagne.
Minister of War Transport of Great Britain.

more during the next 12 months; it would inevitably entail serious interference with the constructicn of transport ferries in Canada, for the British Admiralty, and would slow down urgent ship repairs in Eastern Canadian yards.

4. Please inform the United Kingdom authorities that the matter is regarded as of such urgency and importance, that the government will, nevertheless, be compelled to take this course if additional space cannot be made available in accordance with the representations contained in our earlier telegrams.

357. DEA/22-Us

Le haut commissaire en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 1324 London, May 11, 1945

TOP SECRET. Your telegrams ending with No. 1069 of March 4th[135] concerning repatriation of Canadian service personnel.

2. You will have seen Dominions Office telegram No. 101 of May 10th† setting out provisional figure of 126,700[136] as number of Canadian troops likely to be moved to Canada during next six months. You may wish to know that before this message was received I had sent Secretary of State for Dominion Affairs a formal letter† stating in full Canadian position and explaining that a minimum movement of 150,000 was the least which would be acceptable to Canada. Also to see Lord Leathers tomorrow morning when I propose to underline in a personal way the Canadian need.

3. I presume Dominions Office tentative estimate alters in no way the instructions given me in your recent telegrams on this subject.

MASSEY

358. DEA/22-Us

Le haut commissaire en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

High Commissioner in Great Britain to Acting Secretary of State for External Affairs

DESPATCH A 173 London, May 15, 1945

Sir,

1. I have the honour to report that in accordance with the suggestion contained in paragraph 8 of your telegram No. 1033, of 1st May, I saw the

[135] En effet, la référence est au télégramme numéro 1069 du 4 mai, le document précédent. In fact, the reference is to telegram No. 1069 of May 4, the preceding document.

[136] Ceci fut subséquemment changé à 132,200. This was later changed to 132,200.

Minister of War Transport on the morning of Saturday, May 12th, in connection with the problem of the movement back to Canada of Canadian service personnel. I left with Lord Leathers a copy of my letter to the Secretary of State for Dominion Affairs of May 10th. I enclose a copy of this with this despatch.

2. In my conversation with the Minister I emphasised the importance which we attach to the problem and pointed out to him that the figure of 150,000 service men and women, whose movement to Canada in the first six months after the conclusion of hostilities we regard as of urgent importance, was a minimum number. As we have now been informed that 132,200 can be moved with the shipping already provisionally promised, the gap between this figure and our minimum is only about 17,800, which ought to be bridged without difficulty.

3. Lord Leathers was extremely sympathetic and undertook to do everything in his power to meet our difficulty. He pointed out that American troops to be returned to the United States en route for operational duties in the Pacific would naturally have priority over any servicemen returning for demobilisation, but he said that he realised troops given such priority must be actually designated for redeployment in the Pacific area. What he feared, however, was the return of large numbers of American troops from whom forces for service in the East would be selected after their arrival in the United States. This would naturally involve priority being given now to large numbers of American servicemen who would be demobilised on their return. Lord Leathers fully realises the validity of the "first over first back" formula as applied to Canadian and American forces so long as this does not apply to personnel returned with the definite purpose of further service in the Far East.

4. You will no doubt have seen the communiqué from the United States War Department issued on May 9th outlining its plans for redeployment and demobilisation.[1] The figure of the men to be returned in the first six months after "VE Day"—over 2,000,000—is very large and clearly indicates how watchful we must be if we are to secure our proper share of shipping.

5. Lord Leathers promised to let me know as soon as possible the result of his enquiries following my visit. Thus I shall simply say that I am doing all I can, in what you will agree is an extremely complex situation, to meet the Canadian need, and that I shall telegraph you immediately I hear from Lord Leathers.

I have etc.

VINCENT MASSEY

359. DEA/22-Us

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1171 Ottawa, May 17, 1945

IMPORTANT. TOP SECRET. 1. Your telegram No. 1339 of May 12, 1945,[†] and Dominions Office Circular D. 798 of May 11[†] and other correspondence concerning repatriation of Canadian Forces.

2. In my telegram No. 1033 of May 1, 1945, the second paragraph referred to the discussions of the basic principles regarding repatriation of Service personnel between the Prime Minister and Mr. Roosevelt and to the agreement in principle that Service personnel whether Canadian or American should be brought back to North America from Europe in strict chronological order based on their length of service overseas. It is not clear whether the provisional figures of 132,200 referred to above were worked out before or after your discussions in which you put forward the need for recognizing the principle arrived at with regard to keeping Canadian and American repatriation policies in line with an irreducible minimum of 150,000. A report on this point would be appreciated and if the points have not been raised and urged already, they should be put forward without delay. If they have already been taken, they should be discussed again and re-emphasized in the light of the inadequacy of the provisional arrangements referred to above.

3. While the provisional total figure of 132,200 as the number of Canadian Service personnel likely to be moved to Canada during the next six months is an improvement upon earlier estimates and will provide some basis for planning, you will no doubt emphasize in discussions with United Kingdom authorities that this figure falls considerably short of the 150,000 which the Government regard as the absolute minimum.

4. As mentioned in my telegram No. 1010 of April 30 it is the view of the government that it would be urgently necessary to work out arrangements with the United Kingdom for associating Canada with decisions determining passage priorities. This is essential both as a means of ensuring the proper representation of Canadian interests and for the smooth operation of repatriation machinery.

5. It is the view of the government that the detailed allocation, as between the three Services, of space assigned for the transport of Canadian personnel should be left for the decision of the Canadian authorities to be made on the recommendation of the Canadian Joint Staff Mission, London, and therefore whilst noting the provisional assignment of 132,200, the government reserve the right to determine the specific apportionment of any such space between the various Canadian services in accordance with details to be worked out by the Canadian authorities.

6. For your own personal information we do not understand the individual figure given for R.C.A.F. in Dominions Office telegram No. 101.† If this refers solely to personnel of squadrons destined for the Pacific, the total of 55,000 is obviously much too high. We would not wish to do anything which would have the effect of reducing the overall Canadian allocation but point out that R.C.A.F. personnel are to be returned on a basis of priority similar to that of other Services and this being so the proportions between the three Services would have to be substantially altered from that indicated by the United Kingdom.

360. DEA/22-Us

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1421 London, May 18, 1945

TOP SECRET. Your telegram No. 1171 of May 17th, repatriation of Canadian service personnel.

2. You will soon receive my despatch No. A. 173 of May 15th which reports talk I had with Lord Leathers and encloses copy of my letter to Secretary of State for Dominion Affairs† concerning Canadian need for repatriation of minimum of 150,000 service personnel in next six months' period.

Conversation with Leathers followed up by discussion with Joint Staff Mission, as a result of which I have sent him a letter,† a copy of which is going forward to you by bag. This letter was written before your telegram arrived. It incorporates, however, your instruction that Canada reserves the right to determine as between the services the detailed allocation of space assigned for transport of service personnel.

3. The provisional figure of 132,200 was worked out prior to submission of Canadian position to United Kingdom Government. Gap between this figure and our minimum is small, however, and, I am satisfied, should be bridged without difficulty.

4. Referring your paragraph 6, you may wish to know that the explanation of the R.C.A.F. 55,000 figure is that it is based on an earlier computation of what would be the VLR[117] (R.C.A.F.) force. The present plan is to use the difference first for the balance of the Canadian division for the Far East and second for long-term repatriates chosen on the "first over, first back" basis from all three services.

5. Urgent Canadian need for repatriation of maximum possible number Canadian service personnel in next six months is fully understood here and

[117] Very Long Range.

every effort being made to meet situation. Will keep you posted on developments by telegram.

MASSEY

361. DEA/22-Us

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1264 Ottawa, May 30, 1945

SECRET. 1. I refer to my No. 1194† and preceding telegrams concerning the allocation of shipping space for the transportation home of Canadian service men and women and their dependents.

2. Information supplied by the Department of National Defence indicates army personnel, who have been in the European zone in excess of three years, i.e., antedating 31 March 1942 approximate date of arrival of first U.S. forces, exceeds 92,000. Including Air Force and Naval personnel this figure would be well in excess of 100,000.

3. On the principle of "first over first back" agreed upon by Mr. Roosevelt earlier this year as a basis for the allocation of Atlantic shipping, and with the exception of personnel actually destined for Pacific operations, Canada would be entitled to an absolute priority for approximately 100,000. Thereafter allocation of passages as between returning Canadian and U.S. Forces would be determined by numbers of the respective countries awaiting return and their comparative lengths of service overseas.

4. In my immediately following telegram† the estimated distribution of Canadian army personnel in the European zone is given. I presume you can obtain similar information from Naval and Air Force heads in London as to their strengths.

5. You might discuss with Major General Young, Q.M.G.,[138] presently in London the implications of these figures in relation to the agreed principle and, thereafter, consider the desirability of reviewing with U.K. authorities the basis upon which Atlantic shipping is being allocated to the United States and Canada, with the purpose of improving our allocation.

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[138] Quartermaster-General.

362. DEA/22-Us

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1546 London, June 1, 1945

SECRET. Your telegram No. 1264 of May 30th, allocation of shipping space for Canadian service personnel.

I saw Lord Leathers again on Wednesday, May 30th, and strongly pressed for allocation of troop transport capacity of minimum 150,000 for 6 months commencing July 1st. Minister was, as before, sympathetic and I am convinced he is doing all in his power to meet our wishes. I am satisfied that it will serve no useful purpose to ask for accommodation beyond 120,000 [150,000?], which is suggested in your telegram under reference and indeed might prejudice our position.

2. I asked Lord Leathers if it would assist him if our Prime Minister sent personal telegram to Mr. Churchill urging the allotment of accommodation 150,000 as already requested. He said it would, and I strongly urge that this should be done. It will be important that in this telegram the allotment of the 132,200 passages, already referred to in Dominions Office telegram No. 101 of May 10th,† should be referred to as a firm offer which, although appreciated, is quite insufficient, and it should be stated very clearly that 150,000 is minimum figure which we feel we can accept. I suggest that this telegram to Mr. Churchill should be sent without delay.

3. With reference to paragraph 5 of your telegram No. 1171 of May 17th, United Kingdom authorities have given me the assurance that Canadian Government is free to allot shipping space.

MASSEY

363. DEA/22-Us

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 136 Ottawa, June 5, 1945

SECRET. Following for the Prime Minister from the Prime Minister, Begins:

1. Our High Commissioner now has actively under discussion with the Minister of War Transport the allocation of shipping for redeployment of Canadian forces and the repatriation of those to be demobilized on their return to Canada.

2. In this connection we have received word through the Dominions Office (circular No. D.798 of May 11th)† that arrangements have been made for the allocation of transport capacity during the current six months to lift 132,200

Canadian service personnel, including those being redeployed to the Pacific theatre, ex-prisoners of war and those being repatriated for demobilization.

3. It is quite apparent from an examination of our position that, unless our allocation of shipping can be substantially improved, the return of large numbers of Canadians will be long delayed. The figure of 132,200 which we take to be a firm offer, is an increase on earlier estimates that we have received. We appreciate this improvement, though it still falls far short of the amount which my colleagues and I feel that the circumstances require.

4. One of the principal factors in the situation is, of course, the large numbers of U.S. personnel who will have to be transported from Europe. A few months ago when I discussed this problem with Mr. Roosevelt he agreed that, in the allocation of shipping for the repatriation of servicemen to this continent, the "first over first back" principle should be applicable as between U.S. and Canadian troops. The President informed me that I could definitely count on this being done and I so reported to the Cabinet on my return from Washington.

5. I need not remind you that a large number of Canadians have been in the European zone for five years or longer. I am informed that in excess of 100,000 Army and Air Force personnel have been there for more than three years, i.e. before 31st March 1942, the approximate time of arrival of the first U.S. forces. On this principle and, with the exception of personnel actually destined for Pacific operations, Canada would be entitled to an absolute priority in the allocation of Atlantic shipping for approximately 100,000. The figures announced by the Minister of War Transport have apparently been calculated without reference to this principle.

6. The problem has recently been reconsidered anxiously by the Cabinet and we are quite convinced that some substantial improvement will have to be made. Movements on a larger scale will require to be made possible, by one means or another, in view of public demand for the return of Service personnel in the reasonably near future, and in view also of the importance to the national economy of personnel being returned in sufficient numbers to permit demobilization to proceed step by step with the reconversion of industry.

7. We have had under consideration the possible conversion of Canadian-owned freighters now under the control and operation of your War Transport Ministry but since the adoption of this course would materially reduce the cargo space available for the relief of the distressed countries, we hesitate to resort to such an extreme measure.

8. I would be grateful if you would give this urgent question your personal attention. We realize that shipping commitments for the long term are difficult to make in present circumstances but an immediate allotment of a minimum of 150,000 for the six months with some indication of a further allotment capable

of lifting the balance of Canadians within the subsequent six months would go far towards a solution of this most anxious problem. Ends.[139]

364. DEA/22-Us

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1872 London, July 4, 1945

SECRET. Montague showed me late this morning a telegram from Murchie, CGS 344 of July 3rd,† which sets out text of statement given by Minister of National Defence yesterday,[140] I gather, on the subject of arrangements for repatriation of Canadian service personnel.

2. Only this morning I sent the Secretary of State for Dominion Affairs the following letter:

"I wish to refer to the secret telegram from my Prime Minister to Mr. Churchill, No. 136 of June 5th, concerning the question of the allocation of shipping for Canadian forces now on this side. This telegram expressed, as you will recall, the urgent Canadian need for an allotment of a minimum of 150,000 in the next 6 months, together with an indication of a further allotment capable of lifting the balance of Canadians within the subsequent 6 month period. So far this message has not been answered, and the purpose of this letter is to express the strong hope that such may be possible without further delay.

You will wish to know that the present position is made more complicated by virtue of the fact that, shortly after hostilities ended, Canadian newspapers published a story to the effect that the large majority of servicemen would be home by Christmas. There was and is, of course, no foundation for so optimistic a report. Nevertheless, my Government decided it would be best to defer an official denial until such time as a public statement could be made reflecting accurately the true situation and prospects.

The longer silence is maintained, and our troops are kept unaware of the position, the more difficult it will be to deal with their disappointment when the truth is known. Canadian service authorities believe that unless a statement is soon made, they will be faced with a dangerous situation in terms of the morale of the Canadian forces overseas. Thus, in relation to the Canadian domestic situation as well as our forces on this side, it is important that the

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[139] La note suivante était écrite sur cette copie du télégramme:
The following note was written on this copy of the telegram:
Original draft of this telegram seen and approved, with alterations by the P[rime] M[inister] at the Station, June 4, 4 p.m. R. G. R[IDDELL]

[140] En réalité, la déclaration fut présentée le 4 juillet.
In fact, the statement was made on July 4.

telegram from your Prime Minister may soon be forthcoming, since on it must depend this very necessary public statement as well as complex service plans."

3. I am unaware of the precise circumstances which prompted National Defence announcement, but presume it is the result of growing public pressure in Canada for information on existing position. I feel it my duty to tell you that I much regret the making of this announcement without first consulting this office. Statement says that assurance of minimum total of 126,000 has been given during the remainder of 1945. While this is, of course, the case, I have taken the position all along that 150,000 at the least would alone meet the Canadian requirement. The National Defence release weakens the Canadian case in my view, since I fear that it will be construed as Canadian acquiescence in 126,000 figure.

4. Notwithstanding statement, I propose to continue to press for larger minimum figure and will explain Canadian statement as an interim Canadian measure to allay Canadian anxiety in a manner which would not embarrass United Kingdom Government. Please confirm that this approach is satisfactory to you.

MASSEY

365. DEA/22-Us

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 164 Ottawa, July 6, 1945

SECRET. Following from the Prime Minister for the Prime Minister. Begins: My telegram No. 136 of 5th June referred to the urgent necessity of obtaining a minimum allotment of 150,000 for the six months period ending 31st December 1945 for the purpose of returning to Canada the Canadian Service personnel for duty in the Pacific and a substantial proportion of the long service personnel who have been overseas for three years and more.

2. We are now informed that the present allotment will probably not exceed 126,000 during this period. On this basis more than 140,000 Canadian Service personnel with overseas service of up to three years will still remain overseas at the end of the year.

3. It is considered of the highest importance in the interest of maintaining morale and discipline of Canadian forces overseas that we should be able to satisfy our troops that their repatriation is being accomplished at a reasonable rate and that they are being treated fairly in comparison with other nations.

4. I would strongly urge that a further allotment of at least 24,000 be made to bring the total shipping for Canadian personnel during the last six months of this year up to the minimum of 150,000 requested and that some indication be given as to the shipping that will be available thereafter to complete the repatriation of Canadian troops other than those allotted for duty with the occupation forces in Germany. Ends.

366. DEA/22-Us

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 148 London, July 6, 1945

IMPORTANT. TOP SECRET. Following for the Prime Minister from the Prime Minister, Begins: Your telegram No. 136 of June 5th, 1945.

1. You will realise that the figure of 132,000 given to you in Dominions Office telegram No. 101 of 10th May[†] was a tentative figure for guidance in your planning. It was not intended as a firm offer and, in fact, various changes in the operational background have already necessitated a new review of our troop shipping commitments during 1945.

2. On the basis of this revised plan, we shall be able to send back to Canada 146,200 of your men by the end of the year, and you will see that this figure is very little short of the 150,000 asked for by you. It is in any case a planning figure which may or may not be exceeded in the event.

We hope that it will be possible to give a high priority to the repatriation of the remainder of your men during 1946, in common with those of the other Dominions, so that the whole task may be speedily accomplished.

3. We have given every consideration to the alternative means suggested by you. You have yourself mentioned the disadvantage of reducing available cargo space, and there would be the further disadvantage of seriously affecting other vital work being carried out in your shipyards. I feel sure you will agree that these disadvantages outweigh the small increase to the troop-shipping capacity in the Atlantic which would result.

4. You also referred to President Roosevelt's promise to you that the first over first back principle should be applied to the return of Canadians and Americans across the Atlantic. The position as between the United States and ourselves is that, as a result of discussion, we have undertaken to make available to the United States certain British troopship capacity for redeployment purposes. The United States authorities were not entirely satisfied with this assistance and would have liked to press us for more. Our present deployment plan is based on our original undertaking to the United States and we cannot give them any more capacity without a corresponding reduction in the rate of repatriation of British Commonwealth forces. We feel, therefore, that an appeal by you to the United States authorities would merely result in the United States Government demanding yet further assistance from us, which, as I have already shown, could only be given at the expense of the capacity available to the British Commonwealth. Ends.

367. DEA/22-Us

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1545 Ottawa, July 6, 1945

SECRET AND PERSONAL. Following for Massey from Wrong, Begins: Your telegram 1872. We were not aware of intention of Minister of National Defence to issue a statement here on repatriation and hence were not able to consult you in advance. I am sorry that coincidence of publication here with your letter to Dominions Secretary proved embarrassing to you. Ends.

368. DEA/22-Us

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1546 Ottawa, July 6, 1945

SECRET. Your telegram No. 1872 of July 4th. Service repatriation. It is entirely in order for you to continue to press for larger figure and to explain in the manner you suggest the statement issued by the Minister of National Defence. The disturbances at Aldershot[141] emphasize the importance of securing repatriation of at least 150,000 this year and the statement published here certainly did not indicate acquiescence in any lower figure.

2. The Prime Minister is today sending a further telegram to Mr. Churchill. While the latter may not be able to give it personal attention until after the Berlin Conference, I am sure that you will take every opportunity of pressing the views put forward in telegram 136 of June 5th and in today's telegram.

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[141] Émeutes par des soldats canadiens. Voir C. P. Stacey, *Six années de guerre: L'armée au Canada, en Grande-Bretagne et dans le Pacifique*. Ottawa, Imprimeur de la Reine, 1957, p. 451.

Riots by Canadian soldiers. See C. P. Stacey, *Six Years of War: The Army in Canada, Britain and the Pacific*. Ottawa, Queen's Printer, 1955, p. 433.

369. DEA/22-Us

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1901 London, July 7, 1945

MOST IMMEDIATE. TOP SECRET. Your telegram No. 1546 of July 6th, service repatriation.

2. Presume telegram No. 148 of July 6th to Prime Minister from Mr. Churchill had not been received when your foregoing telegram was sent. Should judge that further message to Mr. Churchill has already been sent. If this is not the case however, strongly recommend it should not go forward. I am satisfied that United Kingdom authorities, in extremely difficult situation, have done all they could to meet Canadian position and that further representations would not be successful.

3. It is assumed official announcement will be made by Ottawa immediately, giving details of improved transportation prospects. In view of Aldershot demonstrations and general anxiety here, believe a supplementary statement by my office would also be valuable.

4. Please let me have immediate reply this telegram.

MASSEY

370. DEA/22-Us

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1555 Ottawa, July 7, 1945

IMMEDIATE. TOP SECRET. Your telegram No. 1901 of July 7th. Service repatriation. You will now have seen telegram No. 164 of July 6th to Mr. Churchill which crossed his 148 to the Prime Minister. This coincidence should not complicate the situation.

2. Minister of National Defence considers that figures given in Mr. Churchill's telegram 148 are not an improvement on those used in his recent press statement. There may be confusion over period to which the figures relate. Our minimum request has been for 150,000 in last half of 1945 whereas Mr. Churchill's figure of 146,200 seems to include troops repatriated during June. Please consult C.M.H.Q. on these points.

3. Department of National Defence does not intend to issue a further general statement on repatriation at present but may make announcement on Monday or Tuesday concerning additional shipping during July. We have requested

them to telegraph text in advance to C.M.H.Q. for transmission to you. If you consider that statement from your Office is needed, please telegraph draft text so that we may consult Minister of National Defence before its publication.

371. DEA/22-Us

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1906 London, July 9, 1945

MOST IMMEDIATE. Your telegram No. 1555 of July 7th, service repatriation.

1. All my representations, both verbal and written, have been on basis of minimum allocation of 150,000 for last half of 1945, that is to say beginning 1st July. I took it to be implicit in this request that this figure had no reference to any shipping given to Canada prior to that date. C.M.H.Q., in fact, raised on Saturday afternoon possibility that Mr. Churchill's figure of 146,200 included personnel repatriated during June.

United Kingdom authorities now confirm such to be the case and suggest Canadian request is met, since first plan contemplated 132,000 as from July 1st, but readjustments possible shipping for additional 14,200 during June.

2. I do not consider United Kingdom decision satisfactory, since all my representations have been on basis that June cushion would not affect request for minimum of 150,000. Thus, if you concur, I would propose sending following letter, subject to any amendments you might suggest, to Secretary of State for Dominion Affairs, Begins:

On instructions from my Government, I wish to draw to your attention certain considerations raised in the top secret telegram from Mr. Churchill to my Prime Minister, No. 148 of 6th July, which deals with the question of the allocation of shipping for Canadian forces on this side.

Mr. Churchill indicated in his telegram that, on the basis of revised planning, it would be possible to send back to Canada 146,200 Canadian service personnel by the end of this year. It was first assumed that this figure referred to the six month period effective 1st July. It is now understood, however, that it relates rather to the period from when reallocation began. In actual fact, the request of my Government has taken into account the number of Canadians likely to be moved in the month of June. Thus I regret to tell you that the suggested arrangement fails to meet the urgent Canadian need.

You already know and, I feel certain, sympathize with the factors which make it necessary for Canada to require, apart from any personnel moved in June, a minimum of 150,000 in the next six months. These considerations have been brought to the attention of the United Kingdom Government in my letters to you and the Minister of War Transport, as well as in the most recent telegram to your Prime Minister, No. 154 of the 6th July. The problem of the

maintenance of morale and discipline among Canadian forces who have been overseas for so long, is, as you will understand, an extremely difficult one. The Canadian service authorities are doing their utmost to control the situation. Nevertheless, only shipping on the basis I have suggested will, I am satisfied, meet the objection that forces of the United States, most of whom have been in this country for a much shorter time, are being given improper preference.

The purpose of this letter, therefore, is to ask that the decision indicated in Mr. Churchill's foregoing telegram should be reviewed in order that a solution no less favourable than 146,200 as from July 1st should be secured. My Government is much concerned about the position, and in these circumstances I trust that an early answer to this letter is possible. Ends.

3. C.M.H.Q. have been consulted about this telegram and agree with its content.

4. In view of considerations raised in this telegram, no statement by this office on shipping situation will, of course, be made.

MASSEY

372. DEA/22-Us

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1575 Ottawa, July 10, 1945

Your telegram No. 1906 of July 9th. Service repatriation.

It is now clear that the difference between the figure given in Mr. Churchill's telegram No. 148 and our minimum request is at least 18,000 and not 3,800 as Mr. Churchill implied. In view of this substantial difference we concur in despatch of your draft letter to Secretary of State for Dominion Affairs subject to following alterations:

1. Add the following to last sentence of second paragraph: "since it falls short apparently by 18,000 men of the figure regarded by the Canadian Government as an essential minimum."

2. Paragraph 3, first sentence, for "in the next six months" read "in the last six months of 1945."

3. Paragraph 3, last sentence, for "improper preference" read "undue preference."

4. Paragraph 4, first sentence, for "146,200" read "150,000."

Since unexpectedly heavy arrivals will take place towards the end of July, the Department of National Defence is issuing a short statement designed primarily to warn the Canadian public of the strain on the railway system and to urge that civilian travel be restricted as much as possible. There is no indication that the increased July movement will add to the total programme for the balance of the year.

373. DEA/22-Us

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2485 London, August 29, 1945

My telegram No. 2284 of August 10th, allocation of shipping for Canadian Forces.

Dominions Office have told me informally today that shipping requirements are at present under review for period October 1945 to June 1946, and that Canadian shipping requirements are being considered currently with those of United Kingdom. The extent to which United Kingdom will be able to meet Canadian position, however, will not be known until after discussions between United Kingdom and United States. United Kingdom delegation is going to United States for this purpose, and talks in Washington are scheduled to begin on September 15th.

Pearson is on Continent at present. I shall of course, however, tell him of this development, since I know you will feel it important that urgent Canadian needs should be adequately presented and satisfactorily met during Washington conversations.

374. DEA/22-Us

Le sous-secrétaire d'État associé aux Affaires extérieures au ministre de la Défense nationale (Armée)

Associate Under-Secretary of State for External Affairs to Minister of National Defence (Army)

Ottawa, August 30, 1945

Dear Mr. Abbott,

As you are aware we have been trying for some time to get as definite a commitment as possible from the United Kingdom Government that the rate of repatriation of our forces overseas will be satisfactory to us. After discussions with General McNaughton the High Commissioner in London was authorized on July 10th to write in fairly strong terms to the Secretary of State for Dominion Affairs following up his previous representations on the subject and expressing dissatisfaction on some points with the decisions notified by Mr. Churchill in his telegram to the Prime Minister No. 148 of July 6th.

Before an answer was received to this letter the change of Government took place in the United Kingdom which caused a further delay. Canada House some time ago renewed pressure on the United Kingdom authorities and the enclosed telegram No. 2485 of August 29th from the Acting High Commisioner conveys the rather unsatisfactory results attained. It would appear from this that we may have to wait until discussions in Washington due to begin on

September 15th have ended before we can get a fresh commitment from the United Kingdom authorities. Mr. Pearson will probably be in Ottawa next week and he may bring back from London more information with him. We should certainly do our best to ensure that at the discussions in Washington our needs are properly presented and satisfactorily met.

Yours sincerely,

H. H. WRONG

375. DEA/22-Us

Mission canadienne conjointe des états-majors, Washington, au Comité des chefs d'état-major

Canadian Joint Staff Mission, Washington, to Chiefs of Staff Committee

TELEGRAM JS. 115 Washington, October 17, 1945

IMMEDIATE. CONFIDENTIAL. C.S.C. from C.J.S. Repeat to Young from Letson re tel[ephone] con[versation] Letson-Young 17 October. Following just received. Quote:

From Brigadier C. G. B. Greaves.[142]

Dear General,

We have completed our shipping review which is now going up to the Combined Chiefs of Staff for approval. When we get back home we will, of course, have to clear it with our masters there, so the following is advance information as to the probable rate of repatriation of Canadian personnel over the next six months.

November	11,400
December	31,600
January	44,900
February	45,000
March	23,400
April	31,500
Total	187,800

This completes the job on the basis of the figures which we have, which are

Army	171,800
R.C.A.F.	16,000
Total	187,800

It is possible that we will be able to increase the lift available in February and March and so complete the job one month earlier, but this will be subject to further consideration in December when the situation will be clearer and we will know the extent to which shipping will be surplus to American requirements. So far as attaining a measure of parity with American repatriation, it appears from their schedules that they will not complete either in the Pacific or

[142] Directeur du déplacement du personnel, Office de la guerre de Grande-Bretagne.
Director of Personnel Movement, War Office of Great Britain.

the Atlantic until approximately June, but in the case of the latter the really heavy movement will be completed in February and subsequent movement will be at a reduced rate. I hope that acceptance capacity in Canada will be able to deal with the arrivals in the first quarter of next year. The figures I have given above are for Canadians only. There will be in addition five or six thousand additional personnel in each month. As regards actual ships, we have cleared with Cunard that *Queen Elizabeth* can continue to run to Halifax through the winter, and I see no reason why she should not remain indefinitely on Canadian service. It is probable that the *Queen Mary* will remain on American service through the first half of next year and that we will retain the equivalent lift which they are now making available to us on account for their use of the *Queen Mary*. Please treat all this as private information as it is, of course, not yet definite, though I believe it to be a reasonably accurate forecast of the future. I should be glad if you would pass this to General Young with my best regards and regrets that was unable on this occasion to include a visit to Canada during my short stay in North America.

Yours sincerely,

C. G. B. GREAVES (BRIG)

Unquote.

376. W.L.M.K./Vol. 378

Le Premier ministre de Grande-Bretagne au Premier ministre

Prime Minister of Great Britain to Prime Minister

London, October 21, 1945

My dear Mackenzie King,

I had hoped to be able before now to give you some indication of the shipping available for the repatriation of your Forces. However, negotiations with the Americans, on which all our plans depended, have taken longer than we anticipated, and, although full details of the proposed shipping moves up to June, 1946, are not yet settled, I thought that, in view of your anxiety over this problem, you should know roughly how the repatriation of your men is planned to be achieved.

2. The Americans are returning to us the *Queen Elizabeth* and the *Aquitania*, which were lent to them until the end of 1945, and providing us with an equivalent personnel lift in place of the *Queen Mary* the use of which they are retaining for the present, but even so the total available shipping is inadequate for all our needs, and an all-round reduction in the rate contemplated for repatriation both of your men and of ours, trooping, and other movements is inevitable. In particular, the repatriation of all prisoners of war and internees from the Far East is being given priority over everything else and I am sure that you will agree that this is right. It is an expensive movement, for their special needs permit of only 60 per cent of a ship's normal capacity being used.

3. On present plans, we shall have repatriated to Canada 162,000 men between July and December 1945 and we hope that repatriation will be complete by the 30th April, 1946.

4. I am sure you will appreciate that these figures are estimates only and that unforeseen developments may result in our being unable to keep to this programme. We are most anxious to get your men home as soon as possible: our endeavour has been to allocate the shipping available as fairly as possible between all the requirements.

Yours sincerely,

C. R. ATTLEE

377. W.L.M.K./Vol. 378

Le Premier ministre au Premier ministre de Grande-Bretagne

Prime Minister to Prime Minister of Great Britain

Ottawa, October 23, 1945

My dear Prime Minister,

I have duly received your letter of the 21st instant giving me indication of the shipping available for the repatriation of our armed forces.

I am indeed pleased to have the information which your letter conveys as to how roughly the repatriation of our men is planned to be achieved.

No announcement has been received with warmer acclaim in Canada than that which told of the *Queen Elizabeth* having been made available for the transportation of our men from Southampton to Halifax.

The word that you are most anxious to get our men home as soon as possible and hope that repatriation will be complete by the 30th of April, 1946, is most reassuring. I appreciate, of course, that the figures you have given are estimates only.

Yours very sincerely,

W. L. MACKENZIE KING

SECTION C

FORCES CANADIENNES DANS LE PACIFIQUE
CANADIAN FORCES IN THE PACIFIC

378. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET **Ottawa, January 12, 1944**

...

ARMY; AIR FORCE; NAVY; ATTACHMENT OF CANADIAN OFFICERS FOR SERVICE IN THE PACIFIC AND ASIA

14. THE MINISTER OF NATIONAL DEFENCE reported that Canadian Military Headquarters, London, had proposed the attachment of up to 30 Army officers to British units in Southeast Asia, for a minimum period of from four to six months, to acquire training and operational experience in that theatre. The Commander, Canadian Army Staff, Washington, had submitted a similar proposal for attachment of 10 officers to Australian, New Zealand or U.S. forces operating in the Southwest Pacific.

These proposals were recommended for approval as providing some preparation for eventual participation by Canadian ground personnel in these theatres, should such participation be decided upon.

15. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES said that the Naval Staff had also agreed upon the desirability of seeking experience for a number of R.C.N. officers in the Pacific theatre and had suggested attachment to the Royal Navy for this purpose. Nothing had come of the proposal so far.

16. THE MINISTER OF NATIONAL DEFENCE FOR AIR reported that the Air Staff were exploring a similar plan with respect to selected R.C.A.F. officers. It was thought to be important to have personnel acquainted in advance with conditions in the Pacific theatre in case it were decided, at some future date, to have Canadian units participate in operations there.

17. THE PRIME MINISTER observed that measures of preparedness of this kind were no doubt valuable, perhaps essential, from the military point of view. It should be clearly understood, however, that they would not imply any commitment with regard to the nature or extent of Canadian military participation in the war against Japan. Decision on these questions would be taken as matters of policy, at the proper time.

18. THE WAR COMMITTEE, after further discussion, approved selection and attachment of small numbers of suitable Army, Navy and Air Force personnel to United Kingdom and other Commonwealth forces and to U.S. forces in the Pacific and Asiatic areas, it being understood that no decision would be implied thereby as to the nature and extent of Canadian participation in these theatres.

...

379. DEA/68-Cs

Le ministre de la Défense nationale pour l'Air au sous-secrétaire d'État aux Affaires extérieures

Minister of National Defence for Air to Under-Secretary of State for External Affairs

PERSONAL AND CONFIDENTIAL. URGENT. Ottawa, January 14, 1944

Dear Mr. Robertson,

I am asking for some guidance with respect to the enclosed draft project of a letter to Sir Archibald Sinclair. This sins against the canons of the Department of External Affairs

(1) in that it is direct communication with a Minister of a foreign power;

(2) in that there seems to be some assumption with respect to the future course of the War, which might very well be left to present Joint Planners;

(3) in that there seems to be some wholly unauthorized and unorthodox mention of very high policy with respect to war with Japan, etc.

Therefore, veto it for all you are worth and, if necessary, submit it to higher authority but I am convinced that we should draw the attention of Sir Archibald to some of the problems which may arise in connection with demobilization of the R.C.A.F., particularly those mixed up with R.A.F.

Yours very sincerely,

CHARLES G. POWER

[PIÈCE JOINTE/ENCLOSURE]

Projet de lettre du ministre de la Défense nationale pour l'Air au secrétaire d'État pour l'Air de Grande-Bretagne

Draft Letter from Minister of National Defence for Air to Secretary of State for Air of Great Britain

My dear Sir Archibald Sinclair,

RE: ROYAL CANADIAN AIR FORCE DEMOBILIZATION

Whilst it is generally recognized in this country that the war is by no means over and the heavy sacrifices are still to be expected, the subject of service demobilization is attracting the greatest possible public attention.

We, as a Government, have of course made our plans for rehabilitation, vocation and university training, postwar employment, etc., for ex-service men following their repatriation and discharge from the Services but with respect to the R.C.A.F. the antecedent problem to that of rehabilitation, namely, that of demobilization provides certain difficulties which I think should receive preliminary consideration and discussion on a ministerial level since it involves matters of government war policy, government policy in international affairs and is bound to affect the Canadian national economy.

With respect to the Canadian Army, the matter is comparatively easy of solution as repatriation and demobilization will in all probability be carried out by Armies, Divisions and Brigades, etc.

But the Canadian Air Forces are in an altogether different position, particularly with respect to aircrew and groundcrew, radio mechanics, who are distributed all over the world, attached to R.A.F. units and in isolated lots.

Unless a grave injustice is to be done to these men, they must be given the opportunity of such priorities of demobilization based on length of service, type of service (intensive warfare or otherwise), distance from home, opportunity for employment, necessity or desire for futher education, etc., as are open to

members of other Canadian Services and of their comrades in the Air Force employed at home, or in the Joint Air Training Plan.

I understand that your Government has given a great deal of thought to this question, and to the complex problem of priorities, but I assume that you have taken into consideration the economic interest of your own Country and the desires of your own people, and properly so. But, it is not only possible but probable, since your home and overseas conditions and commitments will differ from ours, that your plans will also be different and unapplicable to our men. Canada must therefore work out its own plans, at the same time recognizing that individuals in the R.C.A.F. and R.A.F. forces are so intermingled that unscrambling will be an extremely difficult matter.

For instance, individual Canadian aircrew members are attached to R.A.F. units in Egypt. They may even form an important part of the squadron aircrew strength. The war in Europe will be over but the war with Japan will still be going on. The squadrons will probably be inactive from a combat standpoint with morale inevitably deteriorating, the men asking for action or repatriation, the relatives and the Canadian people clamouring that their boys be given an opportunity to be rehabilitated. It will not be a valid answer to say to the Canadian people that we must await the decision of the R.A.F. as to whether a particular squadron is to be retained in Egypt, or sent to other theatres before Canadian personnel are repatriated. In other words, the future of Canadian men must not be dependent on the convenience or interest of individuals or governments of any other country.

It is because this question of Canadian demobilization as it affects the R.A.F. should be given immediate consideration and plans prepared for action to be taken in the light of events as they occur, that I have taken full charge of these matters in my own department, and any preparations, preliminary or otherwise, will be under my direct control. I suggest that as a preliminary we agree on certain considerations which must be taken into account, the first being the phases it is anticipated the Air Forces of both Countries will have to go through. These might be somewhat as follows:

(a) Period after defeat of Germany, but war with Japan still in progess; this might be termed the "European Policing" phase;

(b) Period of war with Japan; this might be termed the "War with Japan" phase;

(c) Period of policing by the United Nations until re-establishment of satisfactory civil governments in the European and Asiatic areas has been completed and methods of maintaining world peace have been decided; this might be termed the "Postwar Policing" phase.

With regard to (a) Canada will of course make its contribution;

With regard to (b) Canada's position as a Pacific Power, as a member of the Commonwealth, and as an American Nation make it necessary that she shall take part in the subjugation of Japan;

With regard to (c) the extent and character of Canada's contribution will no doubt be the subject of discussion with the other Allied Nations.

I believe it should be laid down as a firm and agreed principle that methods and priorities of demobilization of its own nationals is a matter for the decision of each Government alone.

Generally speaking, all these matters will no doubt be finally solved on an inter-government level, but prior to the final solution, we as responsible ministers for important branches of the Armed Services of our respective Countries must endeavour to work out in a broad and general way the effect of any Government decisions on the welfare of the individual whom we have presently under our charge.

I suggest for your immediate consideration that a joint committee of Air Ministry and Canadian Department of National Defence for Air be set up, on a high officer or official level reporting directly to their respective Ministers with instructions to report on:

1. What methods and procedure should be followed in order to enable the Canadian Government to proceed as rapidly and as efficiently as possible with R.C.A.F. repatriation and demobilization, having regard to the assumptions with regard to phases mentioned above.

2. What steps can be taken to bring about a regrouping of R.C.A.F. personnel so that they may take fullest advantage of the Canadian Government's plans for repatriation, demobilization and rehabilitation.

3. What methods and procedure should be followed in order to give to R.C.A.F. personnel attached to R.A.F. the benefits of pre-demobilization training and instruction to fit such personnel for civil life in Canada whilst they are still attached to the R.A.F. and before any re-grouping takes place. In my view this training must begin at once during off duty hours.

Finally, I realize that this is a very complicated matter and that its solution will require the best thoughts of our best men but I have high hopes that a solution can be arrived at which will (a) not interfere with the successful prosecution of the war, (b) protect the interests of both our countries, (c) take into consideration the future careers of our men as individuals.

380. DEA/68-Cs

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre

Memorandum from Secretary, Cabinet War Committee, to Prime Minister

SECRET Ottawa, January 14, 1944

RE: R.C.A.F. DEMOBILIZATION PLANS

Mr. Power has, on a couple of occasions, mentioned in War Committee the urgency of making plans now for the demobilization of R.C.A.F. personnel, emphasizing the special complexity of the problem because of the fact that R.C.A.F. personnel are distributed all over the world throughout the R.A.F.

Mr. Power feels that he should get on, at once, with demobilization arrangements which will necessitate, at the outset, conversations with the Air Ministry and agreements as to the treatment to be accorded Canadians who are serving with the R.A.F. He would like to communicate to the U.K. Secretary of State for Air, without delay, along the lines of his attached draft letter.

Mr. Power, however, appreciates the fact that the nature and extent of Canada's air participation in the war against Japan, which is an important factor in determining demobilization arrangements, is a matter of high government policy upon which no final decision has been taken. He, therefore, submits this communication for your observations.[141]

You may wish to have the matter of policy put before War Committee at the next meeting for determination at least on general lines.

A. D. P. H[EENEY]

381. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, January 20, 1944

...

CANADIAN PARTICIPATION IN THE WAR WITH JAPAN

13. THE MINISTER OF NATIONAL DEFENCE FOR AIR reported that he had recently communicated with the U.K. Secretary of State for Air, in connection with plans for the demobilization of the R.C.A.F. Since this problem inevitably involved important questions of government policy, particularly with regard to the nature and extent of Canadian participation in the war with Japan and in the policing to be carried on after the war, he had consulted the Prime Minister, in advance, upon the terms of this communication.

It had been stated therein that Canada's position as a Pacific Power, as a member of the Commonwealth, and as an American nation, made it necessary that she take part in the subjugation of Japan; the extent and character of Canada's contribution to postwar policing activities would, no doubt, be the subject of discussion with other Allied nations.

(Letter, Minister of National Defence for Air to U.K. Secretary of State for Air, Jan. 18, 1944.)

14. THE SECRETARY stated that the Prime Minister had read Mr. Power's communication before it had gone forward and had expressed full approval of the views therein stated.

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[141] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
P[rime] M[inister] approves draft letter and Power has been so advised. R[OBERTSON]

15. THE WAR COMMITTEE noted with approval the terms of Mr. Power's communication to Sir Archibald Sinclair in regard to Canadian participation in the Japanese war.

...

382. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, May 24, 1944

...

CANADIAN JOINT MISSION, LONDON[144]

23. THE MINISTER OF NATIONAL DEFENCE reported that the Mission had held their first meeting with the U.K. Chiefs of Staff, to discuss future procedure and the part that the Canadian government might wish to have Canadian forces play in the occupation of Germany and in the final phase of the war against Japan.

The Chief of Staff, Canadian Military Headquarters, London, in reporting upon this meeting, had asked for an indication of government policy upon the Army's participation in occupation forces and in the war in the Far East.

(Army Message, C.O.S.93, C.M.H.Q., London, to N.D.H.Q., Ottawa, May 19, 1944).†

24. THE PRIME MINISTER said that it had been evident at the Prime Ministers' meeting in London that British plans for the war against Japan had not reached any final stage. It had been clear, however, that the United Kingdom contemplated that Naval and Air Forces would be the principal British participants.

No suggestions had been made as to any contribution on the part of the Canadian Army. Indeed, no plans had been mentioned in London for Canadian participation of any kind, although he had a communication for the Minister of National Defence for Air as to the part which might be expected of the R.C.A.F.

There had been no evidence that any thought had been given to the possibility of Canadian Air Forces participating in operations with U.S. forces from the northern Pacific.

25. MR. KING said that it was, of course, understood that Canada would play her part in the war against Japan. The form and extent of such participation should, however, receive careful consideration and should accord with Canada's special position and interests.

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[144]Voir le document 229.
See Document 229.

26. THE SECRETARY observed that, on March 1st, the War Committee had noted with approval a report of the Post-hostilities Advisory Committee in which a Canadian contribution to the forces of occupation had been put tentatively at an Army Brigade Group and seven Air Squadrons.[145]

27. THE WAR COMMITTEE, after discussion, agreed to refer, for consideration and report, to the Post-hostilities Advisory Committee the question of Canadian participation in European forces of occupation, and to the Chiefs of Staff, with the Under-Secretary of State for External Affairs and the Secretary, the question of Canadian participation in the Japanese war.

...

383. PCO

Mémorandum des chefs d'état-major, du sous-secrétaire d'État au Affaires extérieures et du secrétaire du Cabinet au Comité de guerre du Cabinet

Memorandum from Chiefs of Staff, Under-Secretary of State for External Affairs and Secretary to the Cabinet to Cabinet War Committee

TOP SECRET Ottawa, June 14, 1944

RE: CANADIAN PARTICIPATION IN THE WAR AGAINST JAPAN

THE POSITION OF THE THREE SERVICES:

1. At a first informal meeting in London between the U.K. Chiefs of Staff and the Canadian Joint Staff Mission, questions were raised of the form and extent of Canadian participation in the Japanese war. Lieut.-General Stuart, in reporting this discussion, asked for an indication of government policy on this point, and the War Committee, on May 24th, referred the matter to the Chiefs of Staff, with the Under-Secretary of State for External Affairs and the Secretary.

2. The subject had already come up in concrete form in respect of the R.C.A.F. During the Power-Balfour discussions leading to the last revision of the B.C.A.T.P., tentative figures were submitted by the Air Ministry's representatives as to the numbers and types of squadrons which the R.C.A.F. might provide at the conclusion of hostilities in Europe.

Before signing the revised Air Training Agreement,[146] the War Committee approved an Aide Mémoire to the U.K. government (February 10th, 1944),[147]

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[145]Voir les documents 709 et 710.
See Documents 709 and 710.

[146]Voir C. P. Stacey, *Armes, hommes et gouvernements: Les politiques de guerre du Canada, 1939-1945.* Ottawa, Information Canada, 1970, pp. 636-9.
See C. P. Stacey, *Arms, Men and Governments: The War Policies of Canada, 1939-1945.* Ottawa, Information Canada, 1970, pp. 580-3.

[147]Voir la pièce jointe, document 296. Voir aussi les documents 298, 299 et 300.
See enclosure, Document 296. See also Documents 298, 299 and 300.

the effect of which was to inform the United Kingdom that Canada, at that stage, could make no commitment as to the form or extent of her air participation in the war against Japan, pointing out that it might be necessary to contemplate close co-operation with U.S. forces and that, in any event, it was the government's intention to work toward a fully integrated Canadian air force.

3. The U.K. Secretary of State for Air recently communicated to Mr. Power a new and substantially reduced estimate of the number of Canadian squadrons to be employed, after the defeat of Germany, in occupation and transport and in operations against Japan in the South East Asia theatre.†

4. The Navy had had under consideration the despatch of a flotilla of six frigates for service in the Indian Ocean.

5. Before the Prime Minister's departure for the recent London meetings, each of the services had provided him with preliminary papers on the form and extent of Canadian military participation in the Japanese war.

These papers indicated the following possibilities, as a basis for discussion:

Navy—the provision of fleet units, contribution of escort vessels and landing craft for Far Eastern waters, in addition to the naval defence of Canada, much reduced anti-submarine protection in the Atlantic and possible contribution to mine clearance in Europe;

Army—one division from the Army overseas, for co-operation with British forces in South East Asia; brigade groups from the Army in Canada for service in the Eastern Pacific, possibly in co-operation with the U.S. forces;

(Note—Under present policy Army forces for participation in the Pacific would have to be obtained from the Army overseas and it is unlikely that such forces could be made available until the war against Germany has been determined);

Air Force—participation by Canadian squadrons from South East Asia and the North Pacific (if the latter develops as a major sphere of offensive operations), 45 operational and 15 transport squadrons were tentatively suggested.

(Note—These figures are now reduced to a total of 58 including those required for European occupation.)

STRATEGIC AND POLITICAL CONSIDERATIONS:

6. Mr. Robertson and Mr. Heeney met with the Chiefs of Staff on June 7th and reviewed the position in relation to probable Allied strategy at the close of the European war and the particular interests of Canada as a member of the Commonwealth and as an American nation.

7. It was apparent from Mr. Robertson's report of discussions at the Prime Ministers' meeting and from information obtained by the Chiefs of Staff from other sources that, as yet, British and U.S. strategic authorities had agreed upon no over-all plan for the final phases against the Japanese.

8. The present position was as follows:

(a) the British were concentrating their efforts in South East Asia and were apparently committed to no particular long-term strategy for the assault upon Japan;

(b) the United States (with Australian assistance in the South) were conducting the Pacific war as part of what was no doubt a major U.S. plan for the eventual reduction of Japan;

(c) the possibility of attack from the North Pacific could not be determined until it was known whether Soviet bases would be made available.

9. From the purely military point of view, at the end of the German war, it would be the simplest course for Canadian forces (Navy, Army and Air) to continue in combination with British forces in British operational theatres rather than to participate in theatres under United States direction. This tendency would lead to Canadian participation in South East Asia.

10. The U.K. government would tend to encourage such employment of Canadian forces as an element in the "British" contribution to the eventual defeat of Japan.

The United States would not be likely to request Canadian co-operation in the Pacific since they would have adequate forces of their own in theatres under their strategic direction.

11. On the other hand, Canadian and indeed Commonwealth interests might be better served if the Canadian contribution to the war against Japan were made in an "American" theatre, namely the North or West Pacific.

(With respect to the Air Force it was with this in mind that the Canadian government communicated to the U.K. government by the Aide Mémoire of February 10th, with particular reference to the air war. It was the government's view that Canada could not have her air force serving solely in South East Asia, if a U.S. air offensive against Japan were mounted from the North East Pacific.)

(With respect to the Army, it is felt by the Army Staff that Canadian Army participation should be at a stage and in a theatre in which operations are directed against Japan proper or against the Japanese Army in China, rather than in preliminary campaigns in Burma or the Malay Peninsula. The value of such participation from the point of view of national prestige would be much greater and the training and experience of Canadian overseas personnel would be better suited to such operations without extensive re-training which would be required for service under tropical conditions. The timing of such participation and the question as to whether it would involve operations from South East Asia or from the American side would depend upon the over-all strategic plan.)

CONCLUSIONS:

12. It was felt that the same considerations which had led to the Aide Mémoire of February 10th, with possibly somewhat less force, applied to the contributions which might be made by the Canadian Army and the Canadian Navy.

13. The decision taken upon the communication from Sir Archibald Sinclair would determine the form and extent of the Canadian air effort against Japan.

14. In view of the tendency referred to in paragraph 9 and the anticipated dispositions of the U.K. and U.S. governments (and the Combined Chiefs of Staff) referred to in paragraph 10, it was felt that if the government were of the opinion that Canada should be free to make her national contribution to the war against Japan in the North or Western Pacific, the matter should be discussed at an early date, as a matter of high policy with the U.K. and U.S. governments.

A. D. P. HEENEY
for the Chiefs of Staff,
the Under-Secretary of State
for External Affairs, and the
Secretary to the Cabinet

384. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, June 14, 1944

...

CANADIAN PARTICIPATION IN THE WAR AGAINST JAPAN

9. THE SECRETARY, referring to the discussion at the meeting of May 24th, submitted and read a report of the Chiefs of Staff, the Under-Secretary of State for External Affairs, and the Secretary.

The question of R.C.A.F. participation in the war against Japan had already come up in concrete form as a result of the recent communication from Sir Archibald Sinclair to Mr. Power.† The Navy had had under consideration the despatch of a flotilla of six frigates for service in the Indian Ocean. The Army had tentatively suggested employment of one division from the Army overseas for co-operation with British forces in South East Asia, and brigade groups from the Army in Canada for service in the Eastern Pacific, possibly in co-operation with the U.S. forces.

It was apparent that, as yet, British and U.S. strategic authorities had agreed upon no overall plan for the final phases against Japan.

The present position was analyzed as follows:

(a) the British were concentrating their efforts in South East Asia and were apparently committed to no particular long-term strategy for the assault upon Japan;

(b) the United States (with Australian assistance in the South) were conducting the Pacific war as part of what was no doubt a major U.S. plan for the eventual reduction of Japan;

(c) the possibility of attack from the North Pacific could not be determined until it was known whether Soviet bases would be made available.

The natural tendency for Canadian forces to operate in combination with British forces would lead to Canadian participation in South East Asia. The U.K. government would tend to encourage such employment of Canadians and the United States would not likely request Canadian co-operation in the Pacific.

On the other hand, Canadian and Commonwealth interests might be better served if the Canadian contribution to the war against Japan were made in an American theatre, namely, the North or West Pacific.

The considerations which had led to the Aide Mémoire of February 10th to the U.K. government, applied also to the Army and Navy.

It was felt, therefore, that if the government were of the opinion that Canada should be free to make her national contribution in whatever operational theatre the government thought fit, the matter should be discussed at an early date, as a matter of high policy, with the U.K. and U.S. governments.

Copies of the report had been circulated.

(Secretary's memorandum, June 14, 1944,—C.W.C. document 805).

10. THE MINISTER OF NATIONAL DEFENCE FOR AIR said that the suggested R.C.A.F. contribution of a total of fifty-eight squadrons of various types, to which reference had been made, included all purposes for the post-German war period—operations in all theatres (47), occupation of Europe and lines of communication (11).

Air Marshal Breadner had reported that it was understood that any substantial Canadian air effort through Russia would come out of this total.

(Air Marshal Breadner's memorandum to the Minister, May 20, 1944).[*]

11. THE WAR COMMITTEE, after further discussion, agreed to the importance of the considerations set out and the conclusions expressed in the report submitted, and decided that communications be sent to the U.K. and U.S. governments, informing them of the government's views as to the manner in which Canadian forces were to be employed against Japan.

It was also agreed that the proposal for employment of fifty-eight R.C.A.F. squadrons, after the German war, be accepted tentatively, as a basis for planning and subject to review in relation to the whole Canadian contribution at that time, also on the distinct understanding that no commitment were implied as to the theatre or theatres in which these squadrons would be employed, decision in respect thereto to be determined by the Canadian government.

...

385. DEA/68-Cs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions[148]

Secretary of State for External Affairs to Dominions Secretary[148]

TELEGRAM 108 Ottawa, June 27, 1944

TOP SECRET. Following from Prime Minister to Prime Minister, Begins:

1. The United Kingdom Chiefs of Staff have recently discussed, in general terms, with the Canadian Joint Staff Mission, London, the part which Canada might take in the war against Japan after Germany is defeated.

2. So far as we are aware, no overall strategy has been settled. In this connection you will recall that during the Prime Ministers' meetings in London, no definite proposals were advanced as to possible roles for the various Commonwealth forces in the final phases against Japan.

3. The Cabinet War Committee has recently considered with our Chiefs of Staff, the matter of Canadian participation and feels that the attention of the United Kingdom government should be drawn to certain special considerations which apply, in this respect, to the position of Canada.

4. You will recall that on February 10th last, in connection with discussions between the two governments concerning the future of the Commonwealth Air Training plan, Captain Balfour was handed an Aide Mémoire which drew attention to certain factors which would affect the nature and extent of Canadian air participation in the Japanese war. In that document particular attention was drawn to the importance which Northwest Canada might assume at a later stage as a base of operations against the Japanese islands.

5. These considerations led to the conclusion expressed in the Aide Mémoire that plans should be put in hand immediately for the re-grouping of R.C.A.F. personnel and for the ordering of training so that, after the end of the German war, a fully integrated Canadian air force would be available for service wherever the Canadian government might decide that it could be most usefully employed.

6. The United Kingdom Air Ministry recently communicated to the Minister of National Defence for Air an estimate of the number of Canadian squadrons which might be employed, after the defeat of Germany, in operations against Japan and in the work of occupation and transport. The War Committee of the Cabinet have accepted this estimate as a basis for planning, subject to review in relation to the overall Canadian contribution at that time, on the understanding that no commitment was implied as to the theatre or theatres in which these squadrons would serve.

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[148] Le texte de ce télégramme fut répété à l'ambassadeur aux États-Unis avec la requête que les autorités pertinentes des États-Unis en soient avertis.
The text of this telegram was repeated to the Ambassador in the United States with the request that it be made known to the appropriate United States authorities.

7. We realize that much will depend upon whether it is feasible to conduct operations against Japan across the North Pacific. Should such operations prove possible the Canadian government would probably wish to have the principal R.C.A.F. participation given effect in that theatre. It would clearly be very difficult to have the major Canadian air effort based, say, on South East Asia if large United States forces were to operate from Northwest America. This, as you know, has been an area of very close collaboration in defence and development between Canada and the United States.

8. While the considerations mentioned in the preceding paragraphs of this telegram are of special and immediate importance in relation to the R.C.A.F., they are also likely to affect the form and extent of the participation of Canadian military and naval forces and the theatre or theatres in which they are to be employed after the defeat of Germany. In addition, these arrangements will obviously be influenced by the extent to which Canada will contribute to the forces required for the pacification of Europe. Ends.

386. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, July 5, 1944

...

ARMY; ENLISTMENT OF CANADIAN-BORN JAPANESE

8. THE MINISTER OF NATIONAL DEFENCE reported that a request had been received from the Australian government to enlist certain Canadian-born Japanese in the Canadian Army, for attachment to Australian forces for service as translators and interpreters.

The Army Staff were not in favour of enlisting such personnel and suggested, alternatively, that Australia be permitted to enlist them direct into the Australian Army. White personnel from the Army Japanese language school could be made available for attachment to Australian forces and Australian personnel might make use of the Army school.

A request had also been received from British Security Co-ordination for the services of Canadian-born Japanese with the Indian Army for psychological warfare work. It had been proposed that they be enlisted into the Canadian Army, discharged on arrival in India and re-enlisted into the Indian Army.

An explanatory memorandum had been circulated.

(Departmental memorandum July 3, 1944—C.W.C. document 816).†

9. THE MINISTER OF MINES AND RESOURCES AND THE MINISTER OF MUNITIONS AND SUPPLY saw no reason why limited numbers of Canadian-born Japanese should not be enlisted in the Canadian Army.

10. THE WAR COMMITTEE, after discussion, agreed that the subject raised an important question of principle which should be considered by the full

Cabinet, it being understood that, pending such consideration, the Minister of National Defence would report as to whether or not there was objection, on purely military grounds, to the enlistment of Canadian-born Japanese in the Canadian Army.

...

387. DEA/68-Cs

Le secrétaire, la mission canadienne conjointe des états-majors, Londres, au Comité des chefs d'état-major

Secretary, Canadian Joint Staff Mission, London, to Chiefs of Staff Committee

TOP SECRET London, July 28, 1944

I beg to enclose herewith copy of a memorandum dated 27th July, 1944, from Secretary, British Chiefs of Staff Committee covering an Aide-Mémoire on the employment of Canadian forces after the defeat of Germany, copy of which is also enclosed herewith.

G. F. TODD

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du secrétaire, le Comité des chefs d'état-major de Grande-Bretagne, au secrétaire, la mission canadienne conjointe des états-majors, Londres

Memorandum from Secretary, Chiefs of Staff Committee of Great Britain, to Secretary, Canadian Joint Staff Mission, London

TOP SECRET London, July 27, 1944

I have to acknowledge your Memorandum, C.J.S.M.(3), dated 25th July,† covering a Questionnaire addressed to the Chief of Staff.†

2. The Chiefs of Staff will give you the answers to the questions as soon as possible. In the meanwhile I am instructed to send you herewith 4 copies of an Aide-Mémoire on the Employment of Canadian Forces after the Defeat of Germany, which, in the view of the Chiefs of Staff, provides answers to some of the points in the Questionnaire.

3. The Chiefs of Staff would be glad to discuss this paper with the Canadian Joint Staff Mission as soon as the latter are ready to do so. I should be grateful if you would inform me in due course when the Joint Staff Mission would like to meet the Chiefs of Staff.

L. C. HOLLIS

[ANNEXE 1 À LA PIÈCE JOINTE/SUB-ENCLOSURE 1]

Mémorandum du comité conjoint de planification, Cabinet de guerre de Grande-Bretagne

Memorandum by Joint Planning Staff, War Cabinet of Great Britain

London, July 24, 1944

EMPLOYMENT OF CANADIAN FORCES AFTER THE DEFEAT OF GERMANY
REPORT BY THE JOINT PLANNING STAFF

1. In accordance with our instructions, we have examined a telegram from the Prime Minister of Canada to the Prime Minister, dealing in general with the participation of Canadian forces in the war against Japan and in the occupation of Germany, and in particular with the future use of the Royal Canadian Air Force.

2. Our report takes the form of an aide-mémoire for use in discussion with the Canadian Joint Staff Mission in London.

G. GRANTHAM
W. L. DAWSON
W. H. RAY

[ANNEXE 2 À LA PIÈCE JOINTE/SUB-ENCLOSURE 2]

Aide-mémoire du comité conjoint de planification, Cabinet de guerre de Grande-Bretagne

Aide-Mémoire by Joint Planning Staff, War Cabinet of Great Britain

AIDE-MÉMOIRE ON THE EMPLOYMENT OF CANADIAN FORCES AFTER THE DEFEAT OF GERMANY

Summary of Telegrams

In these telegrams the Canadian Government have expressed their anxiety to obtain an early decision, in advance of Germany's defeat, on the re-allocation of their forces after the defeat of Germany to meet the needs of: -

(a) Demobilization

(b) The occupation of Europe

(c) The war against Japan.

Demobilization

2. The Canadian Government state that against Germany Canada has been using all her strength and they suggest that after Germany's defeat the greatest emergency will have disappeared. Moreover, physical conditions make impracticable the deployment of the present total manpower of the United Nations forces against Japan. The Canadian Government wish, therefore, to give careful and early consideration to the nature and extent of their participation in operations against the Japanese. They further state that the

problem of a partial demobilization of Canadian forces must necessarily involve the unscrambling of R.C.A.F. personnel from R.A.F. units after the German war is over and that the personnel should become unconditionally at the disposal of the Canadian Government, in order that a fully integrated Canadian Air Force can be formed.

The Occupation of Europe

3. The Canadian Government state that any contribution by their forces to post-war operations in Europe will influence the extent of their participation against Japan and that this contribution would have to be carefully defined after consultation with the other United Nations.

The War against Japan

4. In considering the employment of their forces against Japan the Canadian Government draw attention to Canada's place as a Pacific Nation, her membership of the Commonwealth and her close connections with the United States. They stress the desirability both from operational and logistic standpoints, of basing their forces in Western Canada for close co-operation with U.S. forces, especially as operations in the North Pacific would enhance the importance of N.W. Canada as a base. The Canadian Government point out the difficulty of having the major Canadian air effort based, say, in S.E. Asia, if large United States forces were to operate from North West America.

Strategic Background

5. After the defeat of Germany, the maximum British naval, land and air effort will be directed against Japan. The size of the forces allotted to occupational duties in Europe and to the defence of the lines of communication to the Far East will be the minimum necessary to attain our objects. British manpower will be severely strained to meet the requirements and any contribution which the Canadian Government may be prepared to make towards these requirements will be most welcome.

6. All our studies have shown that sooner or later it will probably be necessary to undertake major operations in the North Pacific in order:

(a) To gain bases from which to control the sea of Japan, increase the scale of air attack on the Japanese homeland, and, finally, invade or occupy the main island of Honshu.

(b) To open a sea route to Russia should she join in.

7. Although it is perhaps more likely that such operations will not start before the spring of 1946, it is quite possible that they may begin some time during the summer of 1945. In this case the most likely operation would be the capture of the Northern Kuriles, but an assault on Hokkaido in 1945 is just possible.

8. At any rate, it is considered very desirable at this stage, to retain the ability to start operations in the North Pacific during the summer of 1945, and it would clearly be of advantage that an Imperial force was readily available if and when it became necessary to switch a large proportion of the Allied effort to the North Pacific.

9. Although this attempt to allot to the North Pacific its probable place in the operational programme is a statement only of our own views and has not been agreed with Washington, we believe that the United States authorities hold similar opinions. Moreover, it was provisionally agreed at SEXTANT[149] that:

"In the event of the U.S.S.R. entering the war, operations in the North Pacific may assume far greater importance and may involve a major redeployment of forces."

Conclusions

10. The proposal of the Canadian Government would, therefore, be most acceptable on strategic, as well as on political and administrative grounds, if operations in the North Pacific were to develop at an early date. On the other hand, British manpower is so stretched that there would be considerable advantages in concentrating the maximum British and Commonwealth forces either in South East Asia or in the South West Pacific.

11. Although we cannot make any firm recommendations until the main strategy is decided, in the following paragraphs we balance up these conflicting claims and summarise our views, as formed at this stage, on each of the three Services:

a) *Naval*. For the quickest possible defeat of Japan, very strong Allied naval forces will be needed. Whether the main British naval effort is made in the Bay of Bengal or the South West Pacific area, Canadian naval forces would form a valuable addition, particularly in destroyers and escort vessels. The switching of Canadian naval forces to the North Pacific should be possible if such a move is considered desirable when a firm date for operations in this area is made.

(b) *Army*. From the strategical point of view, there would be little advantage in moving Canadian land forces direct from Europe to the South West Pacific or the Bay of Bengal. Having regard to movement, maintenance, and training considerations, it would be desirable for Canadian land forces to be moved to Canada as early as practicable, where they will be available for operations in the Far East, the area for their use to be decided as the situation develops.

(c) *Air Force*. Whilst the Canadian desire to operate their air forces in the North Pacific is appreciated, we should nevertheless welcome their participation initially as a part of the main British effort from South East Asia or the South West Pacific. It would be desirable for the Canadian heavy bombers to form part of any Imperial strategic bomber force wherever it may be deployed, one of the possible areas of deployment being the Maritime Provinces. The move of other Canadian squadrons to the North Pacific should be possible but will have to be reviewed when plans for operations in that area are firm. Canadian home based G.R.[150] squadrons might be a valuable contribution to North Pacific operations.

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[149]La Conférence du Caire du 22 au 27 novembre.
The Cairo Conference, November 22 to 27.

[150]General Reconnaissance.

12. We have not sufficient information to say what percentage of the present Canadian armed forces is represented by the deployment we suggest in the Appendix. Only the Canadian Chiefs of Staff can give an accurate estimate of this. The total British forces recommended by the British Chiefs of Staff as required one year after Germany's defeat are about 70% of the present total British strength. On a similar basis the total strength of the Canadian armed forces one year after Germany's defeat would be about 510,000.

APPENDIX

NAVAL FORCES

Availability of Canadian Naval Forces

1. The undermentioned ships and craft are manned or will eventually be manned by the Royal Canadian Navy. They are suitable for service in the war against Japan, being similar to R.N. ships intended for the Pacific. At present they are operating, or planned to operate, against Germany and are unlikely to be used in any numbers in the Japanese theatre until Germany is defeated.

Two 6-inch cruisers (*Uganda* and *Minotaur*)
Two Escort Carriers (FAA personnel are R.N.)(*Nabob* & *Puncher*)
Five Tribal Class destroyers
One A/A[151] Ship (*Prince Robert*)
One hundred and eleven Escort Vessels (of various modern types, some of which are being specially converted)
Two LSI (M)[152] (*Prince David* and *Prince Henry*)
Thirty LCI(L)[153]
Four *Algerin* Class minesweepers

2. The following Canadian vessels are also in active service now, though they are not of types considered suitable for the Japanese war:

53 *Bangor* Class Minesweepers
10 old destroyers
86 Corvettes (*Flower* class)
85 Coastal Craft.

With the exception of the majority of the coastal craft and a few Bangors and corvettes on the Pacific coast, all the above are operating in the Atlantic or in U.K. waters.

3. On the defeat of Germany, the vessels mentioned in paragraph 2 above will, with certain exceptions (see paragraph 5), be surplus to requirements and their crews will, we suggest, be available either for demobilisation or for manning more modern ships. It would be of the greatest help to us if the Canadian Government could see their way to man additional modern ships, observing:

(a) That British naval manpower will be stretched to its utmost to provide crews for ships fighting the Japanese.

(b) The necessity for throwing the greatest possible naval strength against Japan.

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[151] Anti-Aircraft.
[152] Landing Ships Infantry (Medium).
[153] Landing Craft Infantry (Large).

(c) The considerable number of trained Canadian naval officers and men that would be available.

4. The possible employment of this surplus might be to man some of the following:

(i) A flotilla of Fleet destroyers

(ii) Ten Frigates

(iii) Three Escort Maintenance Vessels.

(iv) A flotilla of LST[154] 3

(v) A flotilla of Support Craft (LCG[155] and LCS (R)[156])

As an alternative to some of the above, Canadian personnel would be of value as part complement to R.N. cruisers, carriers, or in the Fleet Air Arm.

Possible Employment of Canadian Warships

Europe

5. A comparatively small naval force will be retained in Europe for control and mine clearance duties. We might suggest to the Canadian Government that, as there is an overall shortage of minesweepers, their contribution should be the 53 *Bangor* class minesweepers as well as a few of the *Flower* class corvettes mentioned in paragraph 13 above.

The War Against Japan

Operations with main British forces

6. The use of the Canadian cruisers, destroyers and escort vessels will be of great importance in our operations; without the Canadian escort vessels we are unlikely to be able to provide adequate A/S[157] and A/A protection for our expeditions.

The 2 L.S.I.(M) and the 30 L.C.I.(L) are included in the 3 divisional lift already planned and are essential for that purpose. If the Canadian Government felt that they were unable to man them, we should be unable to replace them from British sources.

Operations in N. Pacific

7. While we appreciate the desire of the Canadian Government to hold their navy ready for action in the N. Pacific we consider that, rather than retain it for this purpose, there is a strong case for throwing in its weight in support of firm operations with the British and other Imperial naval forces. Moreover, when operations for the N. Pacific are firmly planned, the matter can be reviewed in the light of the strategical situation at the time, bearing in mind that the switching of Canadian naval forces from one theatre to another should be possible.

8. On balance, therefore, we recommend the Canadian Government to allow their naval forces to reinforce the main British fleet operating against the

[154]Landing Ship Tank.
[155]Landing Craft Gunboat.
[156]Landing Craft Support (Rocket).
[157]Anti-Submarine.

Japanese as soon as practicable after the defeat of Germany, without prejudice to a later decision when a date for operations in the N. Pacific has been decided.

LAND FORCES

Availability of Canadian Land Forces

9. The present strength and disposition of Canadian land forces is:

(a) In or intended for France
Two infantry divisions
One armoured division
One armoured brigade
(b) In Italy
One infantry division
One armoured division
One armoured brigade

All the above divisions have a proportion of Corps, G.H.Q. and L. of C. troops.

(c) In Canada
One holding division of two brigades.

10. Allowing for a measure of demobilization after the defeat of Germany, it is suggested that three divisions would be a reasonable contribution by Canada, of which two would be employed in the war against Japan, and one in the occupation of Europe.

Possible Employment of Canadian Land Forces

The Occupation of Europe

11. In order to relieve the acute British manpower problem it has been suggested that the Canadian Government should be asked to contribute one "occupation Group" for the occupation of Germany, preferably organised as an infantry formation of approximately 25,000 men.

The War against Japan

Operations in the North Pacific

12. The main invasion threat against the Japanese homeland may be directed across the North Pacific. It is very desirable that Imperial forces should participate in these operations.

13. This contribution could conveniently be made by Canadian land forces for the following reasons:

(a) the problems of maintenance and general administration would be simplified if they were based on Canada.

(b) movement to the North Pacific area is likely to be more expeditious than to the South. Although, in general, all available personnel shipping is earmarked for the movement of British forces to the Far East for a period of six months, not all this shipping will in fact be used until the third month. Before this peak period is reached, we hope it may be possible, by taking advantage of moves in connection with the repositioning of shipping, to provide for the movement to Canada of part at least of the Canadian forces, although there will be heavy calls upon shipping at this time. Shipping will also be

released gradually towards the end of the period required for redeployment, and a proportion might likewise be made available for this purpose.

(c) a shorter period of training is likely to be required to prepare the forces for operations in the North Pacific. It may be advantageous to keep the whole Plough Force in being for these operations. Alternatively the Canadian component might be useful as the nucleus of a training organization.

Operations with the main British effort

14. Whether the main British effort in the war against Japan takes place in the Bay of Bengal or the S.W. Pacific, it should clearly be on the maximum scale possible.

15. The over-riding problem is that of movement. It would not be possible to move Canadian forces to the Far East for these operations during the first six months after the defeat of Germany except at the direct expense of British and Indian forces within the tentative programme. If it were decided to move Canadian land forces to the S.W. Pacific after the completion of this programme, on the assumption that Germany is defeated by the 1st October 1944, the two divisions would not be operationally available until approximately the end of 1945, having completed a period of five months training, which would include jungle training. At about this time, large scale operations may be commencing in the North Pacific and U.S. forces would have to be used in place of the possible Canadian contribution, and might have to use Canadian bases.

Conclusions

16. From the strategical point of view there would be no advantage in moving Canadian land forces direct from Europe either to S.W. Pacific or to the Bay of Bengal. We suggest, therefore, that the Canadian land forces allocated to the war against Japan should be moved to Canada as early as practicable, having regard to the many urgent calls on personnel shipping. From Canada they would be well placed either to take part in operations in the North Pacific, or in operations elsewhere in the Far East in accordance with later developments in the situation.

AIR FORCES

Availability of Canadian Air Forces

17. The R.C.A.F. at present consists of some 70 squadrons, of which 41 are Article XV squadrons[158] serving outside Canada. The analysis of this force is as follows:

[158] La note suivante était dans l'original:
The following footnote was in the original:
Squadron within the R.A.F. Target Force equipped from R.A.F. resources but manned as far as possible by Canadian personnel.

	Home Based	Article XV
Heavy Bombers	–	14
Single-engine fighters	5	17 (includes 1 PR[159])
Night-fighters	–	4
Flying-boat	8(%1)[160]	3
Long-range G.R.	1	–
Medium-range G.R.	5	2
Coastal and Torpedo	–	1
Miscellaneous (Communications etc.)	6	–
Long-range transport	1	–
Medium-range transport	2	–
	29	41

It is proposed to form 3 medium range transport squadrons (Article XV) in the near future. By the end of 1944 one medium range G.R. squadron will have been converted to long-range G.R. and one of the home-based miscellaneous squadrons will have been disbanded. 3 A.O.P.[161] squadrons will be formed in mid-December 1944, mid-January 1945 and end of February 1945 respectively.

18. In order that a fully integrated Canadian Air Force can be formed after the German defeat, the Canadian Government are anxious that the unscrambling of R.C.A.F. personnel from R.A.F. units should be completed as soon as possible and that the R.C.A.F. personnel should be concentrated in the Article XV squadrons until the squadrons are 100% Canadian manned. These problems are at present the subject of negotiations between the Air Ministry and the Canadian Ministry of National Defence for Air.

19. The Canadian Government have recently accepted *as a basis for planning*, an estimate by the Air Ministry of 58 Canadian squadrons which might be employed after the defeat of Germany. This estimate was originally based on an arbitrary cut in the Canadian air force after the German defeat. The Canadian acceptance of the estimate was subject to review in relation to the overall Canadian contribution on the defeat of Germany and to the understanding that no commitment was implied as to the theatre or theatres in which these squadrons would serve. The 58 squadrons are provisionally divided into 47 for the war against Japan and 11 for occupational duties in Europe and on the L. of C.[162] to the Far East.

Possible Employment of Canadian Air Forces

Europe and L. of C.

20. The Air Ministry have proposed to the Canadian Government that their contribution of 11 squadrons should be divided into 4 heavy bomber, 4 single-

[159]Photo Reconnaissance.

[160]La note suivante était dans l'original:

The following note was on the original:

One additional flying-boat squadron is on loan to Coastal Command and is at present in Iceland.

[161]Air Observation Post.

[162]Lines of communications.

engine fighter and 3 medium range transport squadrons. This proposal has been provisionally accepted by the Canadian Government.

The War against Japan

21. The analysis of the 47 squadrons to be contributed by the Canadian air force is at present the subject of discussions between the R.C.A.F. Headquarters in Great Britain and the Air Staff. The analysis by squadrons proposed by the Air Staff is:

14 Heavy Bomber
12 Single-engine fighter
2 Long range day fighter
1 Night fighter
2 Flying boat
2 Long range G.R.
1 Light bomber
2 Air/Sea rescue
8 Long range transport
2 Medium range transport
1 A.O.P.
47

A. *Heavy Bombers*

22. The Canadian contribution of 14 squadrons would probably best be employed as part of the British heavy bomber force for the war against Japan with the main force.

If we obtain the use of bases in the Maritime Provinces, we hope the Canadians would contribute to any Empire bomber force which is despatched there.

B. *Fighters and Light Bombers*

23. It is hoped that the Canadian day and night fighter and light bomber squadrons will be available to operate in support of land forces with the main British effort in South East Asia or South West Pacific.

24. When large-scale operations are opening in the N. Pacific, and if Canadian land forces take part, it should be possible to release the Canadian fighter and light bomber squadrons to operate in support of their own forces.

25. It is anticipated that there will be a considerable shortage of F.A.A. fighter squadrons for the war against Japan and the Canadian escort carriers are at present carrying R.N. F.A.A. units. It might well be desirable to convert a few Canadian fighter squadrons for operating from the escort carriers which they man.

C. *Coastal Air Forces*

26. It is hoped that the Canadian coastal squadrons will be available initially to operate in conjunction with British operations either in South East Asia or South West Pacific. Should the G.R. force in the N. Pacific need reinforcement before any squadrons could be released from South East Asia or South West Pacific, the Canadian Government might consider meeting this requirement from any home-based Canadian G.R. squadrons, which are not included in the Canadian contribution of 58 squadrons.

388. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, August 10, 1944

...

AIR; EMPLOYMENT OF CANADIAN
SQUADRONS IN SOUTH PACIFIC

1. THE SECRETARY submitted a proposal of the Minister of National Defence for Air for the despatch of three R.C.A.F. fighter squadrons and a Fighter Wing Headquarters to the Southwest Pacific theatre for attachment there to the U.S. Army Air Force.

These squadrons (involving with Wing Headquarters some 930 officers and airmen) were now employed on western hemisphere defence. In view of the improved strategic situation they were no longer required for this purpose. Nor could they be employed in the European theatre. They were, therefore, available for operations in the war against Japan.

To insure uniformity of material, re-equipment of the squadrons with U.S. type aircraft, etc., would be necessary. Estimated costs were $35,310,000 for capital outlay and first year of operation, and $26,610,000 annually thereafter for operation and maintenance.

(Minister's memorandum to War Committee, July 31, 1944).†

2. THE PRIME MINISTER expressed the view that while it would, perhaps, be desirable to send a token force to a theatre of primary Australian and U.S. interest, there were difficulties in accepting a specific commitment of this kind before the general pattern of strategy for the Pacific war had been settled, and Canada's part therein agreed upon.

3. THE MINISTER OF MUNITIONS AND SUPPLY pointed to pressing shortages of manpower in war industries, suggesting that serious consideration be given to the desirability of releasing surplus Service personnel for this purpose.

4. THE WAR COMMITTEE, after further discussion, deferred consideration of the proposal in the absence of the Minister of National Defence for Air, and pending definition of the role of the Canadian Services in the war against Japan.

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389. DEA/68-Cs

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre

Memorandum from Secretary, Cabinet War Committee, to Prime Minister

TOP SECRET AND IMPORTANT Ottawa, August 22, 1944

RE: CANADIAN PARTICIPATION IN THE WAR AGAINST JAPAN

1. I am attaching a copy of an aide-mémoire which has been handed to our Joint Staff Mission in London by the War Cabinet Secretariat, on behalf of the U.K. Chiefs of Staff. This is to form the subject of discussion, this week, at a meeting of the U.K. Chiefs with the members of the Mission.

This document has clearly been prepared after an examination of the aide-mémoire handed by Mr. Power to Captain Balfour on February 10th[163] concerning employment of the R.C.A.F. after the defeat of Germany and of subsequent enquiries made by the Mission regarding plans for the Far Eastern war.

2. The rapid progress of operations in Europe, and the early prospect of conversations on the highest level, give urgency to the need for a definition of government policy regarding the employment of Canadian forces upon the defeat of Germany.

The problem is not only one of *the extent* of the Canadian contribution to European occupation and operations against the Japanese, but also of *the nature* of Canadian participation in the Japanese war, i.e., with whom and where are Canadian forces to be employed.

3. During the debate on the External Affairs estimates,[164] and on other occasions, you have stated that, upon Germany's defeat, Canada will play her part against Japan. Mr. Ralston has made similar statements, but the government have not made any final decisions as to the extent or nature of Canadian participation.

4. On a number of occasions, the War Committee have considered the problem and, on June 7th, following your return from the Prime Ministers' meeting and at the War Committee's direction, the Chiefs of Staff, with Robertson and myself, reviewed the whole matter in relation to probable Allied strategy and the particular interests of Canada. The paper which I prepared following this meeting (copy attached)[165] was presented to the War Committee

[163] Voir la pièce jointe, document 296.
See enclosure, Document 296.

[164] Voir Canada, Chambre des Communes, *Débats*, 1944, volume VI, p. 6494.
See Canada, House of Commons, *Debates*, 1944, Volume VI, p. 6270.

[165] Voir le document 383.
See Document 383.

as a joint document on June 14th, it being then agreed that the considerations set out therein should be brought to the attention of the U.K. and U.S. governments.

5. Your telegram to Mr. Churchill of June 27th (copy attached) followed this meeting. In it you drew attention to the special considerations which applied to the position of Canada, particularly in relation to possible operations based in the Northwest. In this connection, you will recall that the aide-mémoire of February 10th had emphasized Canada's place as a Pacific nation, her membership in the Commonwealth and her close friendship and common interest with the United States.

6. With regard to *the extent* to which Canadian forces will be actively employed after the defeat of Germany, the following figures have been discussed:

(a) *European occupation:*

The Post-hostilities Advisory Committee[166] have suggested -

Navy—a purely token contribution;
Army—1 brigade group (approximately 5,000 all ranks);
Air force—7 squadrons (some 5,000 men in all).

Note: These figures were submitted to the War Committee, but decision deferred,[167] since Mr. Ralston wished to consider further the Army participation. He is likely to propose what is regarded as a fairer proportionate share for this duty, viz. 1 division and ancillary troops (some 25,000 men).

The figures for the Air Force are already out of date.

(b) *War against Japan*

No figures have been submitted to the War Committee, but the Navy are thinking in terms of a reduced establishment for service with the Royal Navy;

The Army staff are planning tentatively in terms of 1 division;

The Air Force have a tentative basis for planning (authorized by the War Committee) at 58 squadrons, of which perhaps 47 would be engaged against Japan.

7. The U.K. Chiefs of Staff, in the attached aide-mémoire, after noting the Canadian government's views, propose for consideration by our Staff Mission in London what is, in effect, the addition of Canadian Air and Naval forces to British formations in Southeast Asia or in the Southwest Pacific.

For the Army, they suggest the early return of Canadian formations to Canada and the participation of two Canadian divisions, as "Imperial" forces, in any North Pacific operations which may be decided upon or in operations elsewhere in the Far East.

The whole approach of the U.K. aide-mémoire is, not unnaturally perhaps, from the point of view of the British manpower situation. The U.K. Chiefs of

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[166] La note suivante était dans l'original:
The following note was in the original:
(Chiefs of Staff, Clark, St. Laurent of National Harbours Board, and myself).

[167] Voir le document 712.
See Document 712.

Staff evidently wish to consider the forces which the Canadian government are willing to have engaged as available to meet the total requirements for "Commonwealth" zones of operations, or as "Imperial" forces to be employed elsewhere. The net results of accepting their proposals would be to have our Navy and Air Force operate with British forces from bases in Southeast Asia or the Southwest Pacific, and our Army in the North Pacific or elsewhere as may fit in with the final strategic plan.

8. We are, of course, very much handicapped in not knowing the general strategic plan upon which the Combined Chiefs of Staff will proceed against Japan when Germany has been defeated. It seems entirely probable, indeed, that many of the principal questions remain, as yet, unsettled.

Until the over-all strategy has been determined and made known to us, it appears to me, however, that Canada should avoid, so far as possible, partial commitments in respect of any one Service for any specific theatre. In any conversations which may take place at the Staff level, we should continue to stress the necessity of being free to make decisions in the knowledge of the over-all strategy and in the light of the considerations to which the attention of the U.K. government has already been drawn.

While it may be that the only practicable solution will be to have the R.C.A.F. and the R.C.N. continue to serve, in more distant theatres, with the Royal Air Force and the Royal Navy respectively, care should be taken to avoid the government's being presented with *faits accomplis*. If major operations in the North Pacific do develop, it would, at the least, be embarrassing for the government to find that, when they were undertaken, all available Canadian Air and Naval forces were irrevocably committed elsewhere.

9. At my suggestion, Robertson and I met the Chiefs of Staff last week to consider the British aide-mémoire, but without much result. The Chiefs felt that they could not properly or usefully offer joint advice to the government without instructions to that effect, nor could they submit proposals except to their respective Ministers.

I did, however, speak to Mr. Power and he agreed to send a message to Breadner[†] before the Mission's meeting with the British Chiefs of Staff, drawing attention to your telegram of June 27th to Mr. Churchill, and asking him to make it quite clear to the U.K. Chiefs of Staff that the Canadian government had not changed its attitude and persisted that, if hostilities took place in the North Pacific, Canada's principal effort should be in that theatre.

10. It seems to me that the Canadian military effort against Japan should be a balanced one as between the three Services, one which meets the requirements of the special Canadian position as enunciated in the aide-mémoire of February 10th and in your telegram of June 27th and one which is not disproportionate to our resources.

Would you consider having the War Committee refer the problem to the Chiefs of Staff with Robertson and myself for the preparation of proposals on this basis? These could be submitted to the Ministers of National Defence and form the subject of a joint recommendation on their part to the War

Committee. Perhaps this course could not usefully be followed until we know more of the over-all strategic plan.

A. D. P. H[EENEY]

390. PCO

Mémorandum du chef de l'état-major général au Comité de guerre du Cabinet

Memorandum from Chief of the General Staff to Cabinet War Committee

TOP SECRET Ottawa, August 23, 1944

RE: CANADIAN ARMY PARTICIPATION IN THE PACIFIC WAR AND IN THE ARMY OF OCCUPATION IN GERMANY

1. On the 28 June 44 the Canadian Joint Staff Mission in London addressed to the British Chiefs of Staff a questionnaire[+] containing a number of questions with a view to obtaining general strategic information on the conduct of the war after the defeat of Germany.

BRITISH PROPOSALS

2. As a result of these requests an Aide-Mémoire, containing suggestions as to the possible employment of Canadian Forces after the defeat of Germany, has been prepared by the Joint Planning Staff of the British War Cabinet and submitted to the Canadian Joint Staff Mission in London.

3. This Aide-Mémoire makes clear that any Canadian contribution to the Army of Occupation and the Japanese war will be most welcome in view of the severe strain on British manpower.

3. [*sic*] The Aide-Mémoire points out that it is most desirable at this stage to retain the ability to start operations in the North Pacific during the summer of 1945 and that from a strategical point of view there would be little advantage in moving Canadian land forces direct from Europe to the Southwest Pacific or to the Bay of Bengal. Instead it would be desirable for Canadian land forces to be moved to Canada as early as practicable, where they would be available for operations in the Far East. The Aide-Mémoire suggests that a reasonable contribution by Canada in the war against Japan would be two divisions.

4. In dealing with the occupation of Europe, the Aide-Mémoire suggests that the Canadian Government should be asked to contribute one "Occupation Group," preferably organized as an infantry formation of approximately 25,000 men.

CANADIAN PROPOSALS

5. In assessing the British proposals it is considered that Canada's contribution should not be on the basis of relieving British manpower but rather on a fair and reasonable contribution based on Canadian capabilities in relation to the proportionate continuing effort of the United Kingdom and the United States.

6. It is agreed, however, that it is most important that Canadian troops should be with any forces that might be engaged in operations in the North Pacific (either through Hawaii or through the Aleutians). Their use in this area would ensure that Canada would be represented at the final assault on the Japanese homeland; this is a most important consideration as a means of avenging Hong Kong and restoring Canadian military prestige in the Far East. In addition this North Pacific area is one of particular importance to Canada—both geographically and politically.

7. Insofar as the size of the contribution to the war against Japan is concerned, there is no indication as yet of the total forces that will be required. It does appear, however, that the Canadian contribution will in any event be only a small proportion of the total forces engaged. In these circumstances it is considered that one division with the necessary ancillary troops and reinforcements would represent a compact force which could be readily administered and adapted for operations with a larger force to which it would be detailed. The use of a division has the further advantage in that it is the minimum self-contained formation and would enable the Canadian contribution to be kept separate and not lost as an appendage to a United States or British force.

8. It is estimated that a force of this size could be brought back to Canada, re-organized as might be necessary, both as to personnel and equipment and made available for operations in the Pacific Theatre within six to eight months after the conclusion of hostilities with Germany.

9. If this scale of participation and the method proposed are approved, it is essential that steps should be initiated at once to communicate this decision to the United States Chiefs of Staff so that, when planning for this area is considered, the Canadian contribution may be fitted in from the start.

10. The proposed Canadian participation in the Army of Occupation in Germany of one Occupation Group, organized as an infantry formation of approximately 25,000 men is a reasonable pro-rata contribution. Since this group will be organized around a division, it will have the advantage of providing a self-administering unit well suited to keeping separate the Canadian contribution.

PROPOSALS RECOMMENDED

11. (a) *Canadian contribution—war against Japan*

One division with necessary ancillary troops.

To be brought back to Canada for re-organization and training with a view to employment in the North Pacific area (either through Hawaii or the Aleutians).

(b) *Canadian Participation Army of Occupation—Germany*

One Occupation Group, organized as an infantry formation of approximately 25,000 men.

12. *Proposals Have Been*

(a) Recommended by Chief of General Staff

(b) Concurred in by the Minister of National Defence.

391. DEA/68-Cs

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Under-Secretary of State for External Affairs

TOP SECRET Washington, August 23, 1944

Dear Norman [Robertson],

Herewith the report from Pope to Murchie on Canada and the Far Eastern War, referred to in my teletypes WA-4899 of August 21st† and WA-4930 of today's date. I think you and Arnold[168] will be interested in this.

Yours sincerely,

MIKE [PEARSON]

[PIÈCE JOINTE/ENCLOSURE]

Le président, la mission canadienne conjointe des états-majors, Washington, au chef de l'état-major général

Chairman, Canadian Joint Staff Mission, Washington, to Chief of the General Staff

TOP SECRET Washington, August 19, 1944

CANADIAN ARMY PARTICIPATION IN PACIFIC OPERATIONS

Air Marshal Leckie has doubtless kept you advised as to the proposal now being discussed both in Ottawa and in Washington, that a number of R.C.A.F. squadrons be posted to the S.W. Pacific to serve under United States operational command. As I understand it, the idea originated in the mind of General Kenny, U.S. Army, and that the reception it has received in Ottawa has not been unfavourable. While A.V.M. Walsh[169] was good enough to take me into his confidence from the outset he did so with the request that I treat this question as being Top Secret in the fullest sense of the word.

This possible action on the part of the R.C.A.F. inevitably brings up the question of the Canadian Army's participation in the Pacific Theatre of operations. I first brought this question to the attention of your predecessor in May of last year. I did so again last Autumn when action was taken to attach observers to the United States and Australian Armies in the South and Southwest theatres, respectively.

The problem is a difficult one. We are pretty fully committed in Europe, while at home the difficult N.R.M.A. situation, so far as I can judge, is unlikely to undergo much change. The possibility of United States operations

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[168] A. D. P. Heeney.

[169] Air Vice-Marshal G. V. Walsh, membre de l'air, état-major conjoint composé, Washington.
Air Vice-Marshal G. V. Walsh, Air Member, Combined Joint Staff, Washington.

along the Northern route towards the Kuriles has of course always been attractive as possibly it might be looked upon by the Government as being merely an extension of the Attu and Kiska operations. I sounded out the Americans in this connection last October and gathered (and so reported) that there was nothing planned for this part of the world that, in point of time, might make it of special interest to Canada. Since then I have kept touch with my American sources of information and as advised in our C.J.S. Report of 10th May of this year[+], and otherwise, the situation in this respect remains unchanged.

The extent to which your ideas under this head may have developed in Ottawa during the last month or two, is unknown to me. It has seemed to me however that plans of this kind take time to mature and time, in accordance with its invariable habit, keeps moving on. I have therefore judged it expedient again to bring the question to your attention.

You will recall that in their telegram No. 108, dated 27th June of this year, External Affairs advised the United Kingdom Government that the question of Canadian co-operation with the forces of the United States in the war against Japan, was very much in their minds. In that telegram considerable importance was attached to the likelihood of operations via the Northwest route, though what basis there was for this assumption has never been quite clear to me. I was of course aware that the United States Army in pressing for the rehabilitation of our Northwest Airways, did so on the grounds of increased operational need. There is a difference however between ferrying considerable numbers of aircraft and the conduct of important combined operations.

As I see it the United States Chief of Staffs plan in the main to bring about the defeat of Japan from the South or Southeast. As previously reported it is to be expected that the re-conquest of the Philippines will be initiated during the course of this Autumn. The task may prove somewhat lengthy. In any event the next step, after the Philippines, is likely to be the capture of a port in South China, or the island of Formosa, though as far as I can gather nothing in this respect has yet been decided. Quite recently I have gathered that the United States, cheered by their recent successful operations, may be toying with the idea of by-passing the Philippines and making a direct assault on Formosa. This of course is anything but firm. Should, however, this course be adopted it is possible that the plan to capture a port on the coast of China may fade into the background. The point, while by no means established, may be an indication that little material help can reasonably be expected from the Chinese.

The entry of Russia into the Pacific war will of course change the strategic picture in a number of respects. It is however by no means certain that this will materially affect the Canadian problem. Stalin has yet to evince a predilection for combined forces. The accommodation of the U.S. Army Forces at Russian bases on the Eastern Front (to facilitate "Shuttle" bombing) is looked upon as quite an achievement. Nor does there seem to be any good reason to believe that in the event of a Russian entry into the war against Japan, Stalin will change his views in this regard. Rather would it appear that he might be

content to receive material aid in the way of equipment and stores, and that it will better suit his taste to play a lone hand in Eastern Siberia and Manchuria. On the other hand the establishment of a U.S. air base, or bases, in Eastern Siberia can not altogether be ruled out. This however would not call for extensive ground forces.

In such circumstances it is understood that the United States Chiefs of Staff are of opinion that it might be of advantage to establish a base in the Northern Kuriles so as to permit of the safe passage of convoys to the ports at the mouth of the Amur River always provided that, after the defeat of Germany, Russia will be in need of supply or that she would welcome the stationing of United States Air Forces within her territory. In such an eventuality Canadian participation would presumably be as welcome to the United States as it was at Kiska a year ago.

The uncertainty surrounding all this however seems to be such as to make it a doubtful basis for our planning. It might well come off but then again it might not. And at best the Kuriles would be unlikely to rank as a major theatre. Nor do they constitute a very salubrious part of the world.

Again, the Kiska example to the contrary notwithstanding, the matter of inter-allied military co-operation in distant theatres is one that usually takes a considerable time to work out in all its necessary detail. The fact that the climate of these theatres so greatly differs from that to which we are accustomed at home, brings up questions of special training, acclimatization, special organization and special equipment. If then, a decision were taken today that our Army should join with the United States in Pacific operations, it might well be that the troops would not actually find themselves in contact with the enemy for some 8 or 10 months to come.

A year ago such a lapse of time would have been of no importance but it is open to question if the same can be said today, when surely it is not rash to believe that the defeat of Germany may be achieved this Autumn. In such circumstances we might well, in respect of the Pacific war, find ourselves left at the post, usually an uncomfortable position from almost every point of view.

In the light of all this it occurs to me that it should be expedient for us to intimate without delay to the United States Chiefs of Staff, or through other channels, that we are desirous of co-operating with them in the Pacific war. Indeed, as a consequence of External Affairs telegram No. 108 mentioned above, I had expected that by this time we would already have received instructions to this end.

The size of our contingent we could fix now, say, a brigade group similar to the force we sent to Kiska. Nor, I suggest, should we allow the N.R.M.A. situation to bother us to any undue degree. As I understand it, our European reinforcement position, calculated at 3 months intense wastage, is secure until the end of the present calendar year, that is to say, at the end of December we shall have some 60,000 officers and men in our reinforcement units and depots abroad and upwards of the same number at home. Should therefore the European war come to an end in October or November we shall find ourselves

with full echelons of reinforcements, a situation that might expose us to the charge of having played so safely as to have acted not altogether in accordance with the national interest. Has the time not come to appreciate the situation anew, and to take what down here the Americans refer to as "calculated risks"? In other words, could we not safely cut into our reinforcement reserves to the extent of some 5 to 10,000 men and put some of our operational units at home on an overseas operational basis. Action to this end would not, I suggest, be an unreasonable risk to take. To delay our doing so at this stage of the war might adversely affect us before many more months have passed.

Admittedly the Pacific picture I have painted is not as clear or certain as it might be, but it is nevertheless in line with the trend of events that we have been periodically forecasting to you, not incorrectly, these last 18 months and more. Actually, there has been a very recent indication that formal decisions as to the strategy to be followed in the Pacific may well be struck within the next month or so. Whatever these may eventually prove to be they are unlikely materially to affect the measure and form of our co-operation and, as I have said, it would seem that early decision and action on our part is clearly indicated.

MAURICE POPE
Major General

392. W.L.M.K./Vol. 372

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 123 London, August 26, 1944

TOP SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister. Begins: Am sending for your own private information following telegram from Chiefs of Staff to J.S.M. Washington, about our strategy for the war against Japan. Text begins:

As agreed at Sextant Conference, we have devoted prolonged study to strategy for the war against Japan. We have considered how best our forces can be disposed and what operations they should carry out, taking into account undertaking given by His Majesty's Government at Casablanca Conference that on defeat of Germany we should assist the United States to the utmost of our power in defeating Japan.

2. Several important developments have taken place since Sextant Conference.

(I) The advance of United States forces across the Pacific has been accelerated.

(II) The Japanese have strongly reinforced Burma, and their strength in that country has risen from four and a half to ten divisions.

(III) The capture of Myitkyina rules out reinforcement always foreseen in any purely defensive policy in North Burma.

(IV) The likelihood of aggressive action by the Japanese Fleet in the Bay of Bengal is now remote.

(V) Progress of the war against Germany on all fronts has been such as to render possible the partial or total collapse of Germany which might free forces from European theatre in coming months.

(VI) We now have overwhelming air superiority in the South East Asia theatre.

The following paragraphs contain our proposals in light of above developments.

Operations in South East Asia theatre.

3. The present Directive to South East Asia Command prescribes, as a first task, the protection of the air link to China and so far as is possible the support of further construction of the Burma Road (which cannot be completely opened until 1946) and of pipe lines to Yunnan (which are also progressing slowly). In addition we have, of course, to defend the frontiers of India. We are thus committed to a long drawn out struggle in the jungles and swamps against an enemy who has superior lines of communication to those which we possess. The wastage from sickness and disease amounted during the campaign of 1944, up to June 30th alone, to 282,000 in addition to a loss in killed, wounded and missing of approximately 40,000. Clearly, therefore, we should invest every effort to liquidate this highly undesirable commitment if it can by any means be done.

4. Admiral Mountbatten[170] has put forward two plans. The first plan (CHAMPION) is to continue to engage the Japanese in North Burma. This, in our opinion, will merely lead to a continuation of the present unsatisfactory state of affairs and we feel bound to reject it.

5. The second plan (VANGUARD) put forward by Admiral Mountbatten is to capture Rangoon by an air-borne operation to be followed by the opening of the Port of Rangoon and maintenance of expedition by sea. This plan is now believed practicable by large measure of air superiority which we enjoy in this theatre and by Japanese inability any longer to dispute our sea lines of communication to Rangoon.

6. The capture of Rangoon and Pegu (twenty miles distant) will, at a stroke, sever the enemy's main lines of communication to the interior of Burma by road, river and rail. This will give us opportunity of liquidating once and for all, under most favourable military conditions, our commitments in Burma by destruction of Japanese forces.

7. Until such time as Rangoon operation can be launched, it will be essential to contain Japanese by offensive action south of Myitkyina.

8. The bulk of necessary resources for Rangoon are already available, and we now ask Combined Chiefs of Staff to agree to the above plan in principle, and that good effort should be made to provide from our combined resources the

[170]Commandant allié suprême, Asie du sud-est, 1943-46.
Supreme Allied Commander, South-East Asia, 1943-46.

balance of forces required. We propose that General Wedemeyer should proceed to Washington as soon as possible to expound outline of plan to United States Chiefs of Staff, and to provide them with any local information they may require.

9. We are now building up a strong fleet in the Bay of Bengal, the bulk of which, including our newest battleships, will not be required for operations outlined above in South East Asia theatre. It is our desire, in accordance with His Majesty's Government's policy, that this Fleet should play its full part at the earliest possible moment in main operations against Japan wherever greatest naval strength is required, and thereafter its strength should be built up as rapidly as possible.

This Fleet by mid-1945 could probably comprise four battleships of *King George V* class, six fleet carriers, four light fleet carriers, 15 escort carriers, 20 cruisers, 40-50 fleet destroyers, 100 escorts and a considerable fleet-cover, the whole constituting a force which could make a valuable contribution in crucial operations leading to the assault on Japan. This Fleet, built up as fast as possible, would operate under United States Command.

10. If for any reason United States Chiefs of Staff are unable to accept support of a British Fleet in main operations (which is our distinct preference), we should be willing to discuss an alternative. The suggestion we would make in this event is the formation of a British Empire Task Force under a British Commander, consisting of British, Australian and New Zealand land, sea and air forces to operate in Southwest Pacific theatre under General MacArthur's Supreme Command. This alternative, if decided upon, would still enable British Fleet to be well placed to reinforce United States Pacific Fleet if this should later be desired.

11. We have asked for an early expression of the views of the United States Chiefs of Staff on all the above proposals. The urgency is dictated by need to work out as soon as possible logistic problems involved including development of necessary base facilities. Text ends.

2. Reactions of United States Chiefs of Staff not yet received.

3. This will let you see how matter stands at present. Ends.

393. DEA/68-Cs

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre

Memorandum from Secretary, Cabinet War Committee, to Prime Minister

URGENT AND CONFIDENTIAL Ottawa, August 30, 1944

1. Attached is the draft communication to Mr. Ralston, for your signature or revision, regarding government policy with respect to Canadian participation in the war against Japan. I have left the salutation and the closing blank thinking that you might wish to write them in by hand.

I think that I have covered all of the points mentioned in your first draft' (returned herewith), though I have changed the order and expression very substantially and have added a number of others.

The draft speaks for itself, but I would like to draw attention particularly to the wording proposed for the final paragraph, in which Mr. Ralston is asked to bring the matter to the attention not only of the Chiefs of Staff, but to that of the other two Ministers of National Defence. It seems to me appropriate that this should be included, for Mr. Ralston has no formal relationship to the Chief of the Air Staff or to the Chief of the Naval Staff, except through Mr. Power and Mr. Macdonald, and in virtue of his general statutory responsibility for co-ordination of the three Services.

I have not marked the letter "Confidential" or "Secret."

2. I am also sending you, herewith, a copy of the Army proposals which Mr. Ralston wishes to have discussed at tomorrow's meeting of the War Committee.[171] These proposals seem to me to fit in with the considerations which you have in mind as applicable to the Canadian position, for they contemplate the return of Canadian formations to Canada and eventual operations against Japan in the main Pacific theatre. They are also quite modest in extent, involving only one division in addition to that proposed for occupation duty in Europe.

A. D. P. H[EENEY]

[PIÈCE JOINTE/ENCLOSURE]

Projet de lettre du Premier ministre au ministre de la Défense nationale

Draft letter from Prime Minister to Minister of National Defence

Ottawa, August 30, 1944

The decisions to be taken regarding the nature and extent of Canadian participation in the war against Japan, once Germany has been defeated, are so important that I feel they should receive, at the earliest possible moment, the careful consideration of the Cabinet as a whole, as well as that of our colleagues of the War Committee.

The government should, of course, take no major decisions in this matter until the general Allied strategy has been determined. Meantime, it is, I believe, essential that no commitments should be made as to either the manner or extent of the employment of Canadian forces when the war in Europe is at an end. It is also essential that, in the preparation of plans and in any discussions carried on at the Staff level, the Services should have clearly in mind the considerations which formed the subject of my message of June 27th

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[171]Voir le document 391.
See Document 391.

to the United Kingdom Prime Minister, and certain other considerations of equal importance to which I shall refer.

You will recall that my telegram to Mr. Churchill[172] followed discussion of this problem in the War Committee.† In it, referring particularly to the Air Force, I drew attention to Canada's position as a Pacific nation and to her close collaboration and common interests with the United States, which, with our membership in the Commonwealth, would necessarily affect the nature and extent of our participation in the Japanese war.

In this connection I pointed out that, if major operations were to be conducted across the North Pacific, it would probably be desirable to have the principal R.C.A.F. participation in that theatre. I said that, while these considerations were of special and immediate importance in relation to the R.C.A.F., they were also likely to affect the form and extent of the participation of Canadian military and naval forces and the theatre or theatres in which they would be employed after the defeat of Germany. In addition, the message concluded, these arrangements would obviously be influenced by the extent to which Canada would contribute to the forces required for the pacification of Europe.

In the aide-mémoire which, with the approval of the War Committee, was handed to the U.K. Parliamentary Under-Secretary for Air on February 10th last,[173] it was made clear that the above and other related considerations might render it advisable for Canada to play her part in the Japanese war in very close co-operation with the United States, at least in certain operational theatres.

With regard to the extent of participation by Canadian forces in the war against Japan, our contribution to forces of European occupation, as has already been pointed out, will be an immediately relevant factor. So far no final decisions have been taken in this matter. Further, Canadian opinion will, I feel certain, expect that in reaching decisions as to further commitments, the government will have regard to the measure of Canada's military effort in the long struggle to defeat the Axis powers in Europe.

Questions relating to demobilization of the Services have also a direct bearing upon the extent to which presently serving personnel should be further employed in operational roles when hostilities against Germany have come to an end.

The problem is also one which should be related to the general financial position of the government. This is a matter which, as you know, has been causing me increasing concern. The expansion of Canada's Army, Navy and Air Force and the vast extent to which we have been providing to other Allied nations, under Mutual Aid and otherwise, food, weapons and war supplies of all kinds, have far exceeded anything deemed possible in the early years of the

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[172] Voir le document 385.
See Document 385.
[173] Voir la pièce jointe, document 296.
See enclosure, Document 296.

war. To these heavy expenditures for war there have already been added, during the present Session of Parliament, the immense commitments involved in the government's programme of social legislation, including provision for the re-establishment of ex-Servicemen in civil life.

The relationship of the overall financial position to possible commitments for military undertakings at the end of the European war is, I know, as fully appreciated by you as by myself. I doubt, however, if, except for the Minister of Finance, its full significance is equally apparent to other members of the government. I am further concerned lest those responsible for the preparation of military plans should fail to realize the magnitude of this problem with which the government is confronted.

The Canadian military effort against Japan should, in my opinion, be one in which the form and extent of the participation of each of the three Services is determined in relation to the plans of the other two. It should be one which meets the requirements of the special Canadian position. It should be one which is not disproportionate to our resources and which takes into consideration the other large external and domestic commitments of the government. It is upon these considerations that government policy should be determined and the Service programmes settled in the light of overall Allied strategy.

My purpose in writing you this letter is to request you to emphasize with your colleagues the Minister of National Defence for Air and the Minister of National Defence for Naval Services, and with the Chiefs of Staff the necessity of having regard to these considerations in the preparation and submission of proposals for consideration by the Cabinet.

394. DEA/68-Cs

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre

Memorandum from Secretary, Cabinet War Committee, to Prime Minister

URGENT AND CONFIDENTIAL Ottawa, August 30, 1944

Robertson, to whom I have shown the attached draft to Mr. Ralston, feels that you might well take the occasion to write a simultaneous letter, in similar terms, to Mr. Howe.

There is much to be said for this since the production programme should be related directly to the military effort, and from the financial and manpower points of view there is, perhaps, more danger of over-commitment in the industrial than in the military sphere. The industrial programme also directly affects the problem of demobilization.

I have, accordingly, prepared the attached draft letter to Mr. Howe,† using much the same language as appears in the draft to Mr. Ralston. If you decide to send this letter you might, perhaps, add a P.S. to Mr. Ralston's letter, to the following effect:

"P.S. Inasmuch as the considerations set out above are directly relevant to the Canadian production programme, I have today written to our colleague the Minister of Munitions and Supply emphasizing the importance of having his officials avoid new substantial future commitments until overall decisions can be taken upon government policy for the period following the defeat of Germany."[174]

A. D. P. H[EENEY]

395. DEA/68-Cs

Le ministre des Munitions et des Approvisionnements au Premier ministre

Minister of Munitions and Supply to Prime Minister

Ottawa, August 31, 1944

Dear Mr. King,

I have your letter of August 30th regarding Canadian participation in the war against Japan.† My information leads me to believe that the United States considers itself well able to finish this war, and that help from Canada is neither needed or desired.

The United Kingdom government is well aware of the view of the United States, and is most anxious to assert its right to participate, in order that it may have a part in dictating peace terms in that area.

Canada has no territory in the Pacific, and has no reason to take an active part in the war against Japan, other than to give aid to our Allies, in return for their help in the war in Europe. If our help is not wanted by the United States, I do not see why we should insist on participating. I see no purpose in our operating against Japan in combination with the United Kingdom.

As far as war production is concerned, practically all our programme is for the war in Europe. We have always been ready to produce to the limit of our capacity for the European war, and I think that we should continue to do so until the war ends. To cut back now would be to spoil our record, when the effort is nearing an end in any event.

After the war, we must protect our best market to the extent of helping the U.K. rebuild its economy. We must also do our share in helping to restore Europe. In my opinion, these two obligations will take up any slack in our own domestic economy through the reconstruction period.

I am cutting back our various programmes as rapidly as the demands of the European war will permit. I have notified our shipbuilders that no more government contracts can be expected. I am also cutting back our aircraft

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[174] Sur cette copie du document, les mots «can be determined» sont ajoutés à la fin de ce paragraphe probablement en remplacement de «can be taken.»
On this copy of the document, the words "can be determined" are added at the end of this paragraph probably as an alternative to "can be taken."

programme in the field of trainer planes as rapidly as the R.C.A.F. will permit me to do so.

You will appreciate that this Department is a servant of the Armed Forces, and that we can hardly refuse to place any order sent us from our own Services. The extent to which we provide munitions for a war with Japan must, therefore, depend on the extent to which orders for such a war are placed by our three Armed Services. Our only other participation is in the form of Mutual Aid to Australia and New Zealand in an amount authorized by the Mutual Aid Board.

Yours sincerely,

C. D. HOWE

396. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, August 31, 1944

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CANADIAN PARTICIPATION IN THE WAR AGAINST JAPAN

28. THE PRIME MINISTER said that the decisions to be taken regarding the employment of Canadian forces, once Germany had been defeated, were so important that they should receive the early and careful consideration of the Cabinet as a whole, as well as that of the War Committee.

Major decisions should not be taken until the general Allied strategy had been determined. It would then be possible to reach conclusions upon Canadian participation in the Japanese war which would be appropriate to Canada's special position, and not disproportionate to our resources. Meantime, it was essential that no commitments should be made as to either the manner or extent of the employment of Canadian forces.

The attention of the U.K. government had already been directed to certain special considerations which would affect Canadian policy, with particular reference to the theatre or theatres in which Canadian forces would be employed. In this connection reference had been made to Canada's position as a North American nation and to her special interest in any operations in the North Pacific area.

In reaching decisions as to further military commitments, the government should have regard to the measure of Canada's effort in the long struggle to defeat the Axis in Europe and to the fact that, in the war against Japan, Canadian assistance would not be required to the same extent.

The problem was also one which should be related to the general financial position of the government, a matter which had been causing increasing concern. The expansion of the forces and the vast scale upon which Canada, at her own expense, had been providing supplies of all kinds to other Allied

nations had far exceeded anything which had been thought possible in the early years of the war. To these heavy war expenditures there had been added, during the present Session of Parliament, the large commitments involved in the social legislation programme, including extensive provision for the re-establishment of ex-Servicemen.

These serious financial considerations were directly relevant to possible commitments for military undertakings at the end of the European war. They also had a direct and important bearing upon the size of the industrial effort. The acceptance of further new commitments in war production should take account of the government's other large external and domestic obligations.

29. MR. KING read from a message from the U.K. Prime Minister regarding the disposition and operational employment of Commonwealth forces for the defeat of Japan. This problem was to be the subject of early discussion with the U.S. Chiefs of Staff when several proposals would be advanced by the United Kingdom.

It was even further evident, in the light of this information, that it would be inappropriate and undesirable for Canadian forces to participate in the southern theatres of operations.

(Telegram 123 Dominions Office to External Affairs, August 26, 1944).

30. THE MINISTER OF NATIONAL DEFENCE FOR AIR observed that one important factor in determining the extent of Canadian participation would be the limited rate at which demobilization could be effected. Irrespective of their employment large numbers of Service personnel would remain in uniform for some time after hostilities had ceased in Europe.

With regard to the Air Force, a proposal was before the War Committee for three squadrons and a Wing Headquarters to be based on Australia and to be employed with the U.S. Army Air Forces in that theatre. The War Committee had already approved, as a basis for planning, a total of 58 R.C.A.F. squadrons for European occupation and for operations against Japan. Present Staff planning had reference to employment of the bulk of these squadrons in combination with the R.A.F. in Southeast Asia, but no firm commitment had been given for their use in that theatre and they could be directed to the North Pacific if major operations were undertaken there.

31. THE MINISTER OF NATIONAL DEFENCE read a report from Lieutenant-General Stuart upon a meeting which had taken place between the Canadian Joint Staff Mission and the U.K. Chiefs of Staff for preliminary consideration of the problem under discussion.

It had been pointed out to the U.K. Chiefs, at this meeting, that no decisions had been made by the government as to the strength of Canadian participation in occupation or in the war against Japan, and that no decisions could be made on these questions until further information became available to the government.

Lt. Gen. Stuart had expressed the opinion, on enquiry, that the government might consider one division with necessary ancillary units for Europe and a maximum of one division for employment against Japan, also that the

government would prefer Canadian forces to be employed in the North or Central Pacific rather than in the South Pacific.

(Nat. Def. telegram C.O.S. 212, C.M.H.Q. London, to N.D.H.Q., August 30, 1944.)[†]

32. THE WAR COMMITTEE, after further discussion, agreed that the policy to govern the nature and extent of the employment of Canadian forces at the end of hostilities in Europe should be considered by the Cabinet as a whole, that final decisions thereon should not be taken until the general Allied strategy had been settled and that, meantime, the problem should be further explored by the Ministers of National Defence with their Service advisers.

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397. **PCO**

Conclusion du Cabinet

Cabinet Conclusion

TOP SECRET Ottawa, September 6, 1944

A meeting of Cabinet was held in the Privy Council Chamber on Wednesday, September 6th, 1944 at 3.00 p.m.

The Prime Minister (Mr. King), in the Chair.

CANADIAN PARTICIPATION IN THE WAR AGAINST JAPAN

1. THE PRIME MINISTER made reference to the meeting to be held in Quebec, in the immediate future, between Mr. Churchill and President Roosevelt, and the Combined Chiefs of Staff.

Before this meeting took place, agreement should be reached as to the general policy of the government in the matter of Canadian participation in the Japanese war. This subject had been under consideration by the Cabinet War Committee for some time. It should now be considered by the Cabinet as a whole.

No final decisions could be taken until after the Quebec meeting, when it was expected that over-all Allied strategy would be determined, but Canadian representatives should be in a position to state, at Quebec, an agreed government view upon the nature and extent of the Canadian contribution.

2. THE CABINET, after extended discussion, agreed that, at the end of the war in Europe, Canadian military forces should participate in the war against Japan in operational theatres of direct interest to Canada as a North American nation, for example in the North or Central Pacific, rather than in more remote areas such as Southeast Asia, that government policy with respect to employment of Canadian forces should be based on this principle and that the

form and extent of participation by the three Services should be determined following the forthcoming meeting at Quebec.

A. D. P. HEENEY
Secretary

398. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Quebec, September 13, 1944

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EMPLOYMENT OF CANADIAN FORCES AT THE END OF HOSTILITIES IN EUROPE

OCCUPATION; WAR AGAINST JAPAN

1. THE SECRETARY submitted and read a note summarizing previous discussions in the War Committee and in the Cabinet.

The War Committee and the Cabinet had agreed that Canadian forces should play an appropriate part in both the pacification of Europe and the war against Japan, and had discussed proposals which had been put forward tentatively by the Services.

Specific proposals involving a division with ancillary formations for occupational duty and a similar force for employment in the North or Central Pacific had been submitted by the Minister of National Defence on the recommendation of the Chief of the General Staff, with the suggestion that if the latter were approved in principle it be communicated to the U.S. Chiefs of Staff so that joint planning might be initiated.

Copies of the Secretary's note and of the Army proposals were circulated.

(Secretary's memorandum, Sept. 13, 1944—C.W.C. document 854; National Defence memorandum, Aug. 23, 1944—C.W.C. document 846).

2. THE PRIME MINISTER said that it had been arranged that the War Committee with the Chiefs of Staff were to meet Mr. Churchill and the U.K. Chiefs of Staff the following day. It was desirable, therefore, that further consideration be now given to questions which would be discussed on that occasion.

The employment of Canadian forces against Japan had been considered at length by the Cabinet on September 6th, at which time it had been generally agreed that, at the end of the war in Europe, Canadian military forces should participate in the war against Japan in operational theatres of direct interest to Canada as a North American nation; for example, in the North or Central Pacific, rather than in more remote areas such as Southeast Asia; that government policy with respect to employment of Canadian forces should be based on this principle and that the form and extent of participation by the three Services should be determined following the present meeting at Quebec.

No firm decisions should be taken until a clear indication had been received as to the extent to which Canadian forces were either desired or needed during Stage II. If there were a possibility of major operations in the North or Central Pacific in which Canadian forces could participate, the Canadian contribution should be in that area and not in the South Pacific or in Southeast Asia.

3. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES said that his understanding of the Cabinet's conclusion was that it represented a preference for the more northerly theatres rather than a refusal to permit Canadian participation in other theatres. In the final analysis, strategic considerations would govern and the enemy must be fought wherever he was, irrespective of geography. This was particularly true in the case of the Navy.

4. THE MINISTER OF FINANCE said that his attention had been drawn to the necessity for complete re-equipment of Canadian squadrons should they be employed in combination with U.S. rather than with U.K. forces. If this were so, the large expenditure involved should be taken into consideration in determining the nature of participation by the R.C.A.F.

5. THE MINISTER OF NATIONAL DEFENCE FOR AIR pointed out that the extent to which R.C.A.F. squadrons serving in combination with U.S. forces would require to be re-equipped and the cost involved had not yet been established and was still under examination.

Reports from the R.C.A.F. Mission which had visited Southeast Asia indicated that there were great difficulties in the way of R.C.A.F. participation there. Even if Canadian squadrons served in the North or Central Pacific, a substantial number of Canadian aircrew would continue to serve with R.A.F. squadrons in India and Burma.

6. THE MINISTER OF NATIONAL DEFENCE explained the Army proposals, reading reports from the Chief of the General Staff and the Chairman of the Canadian Joint Staff Mission, Washington.

In the circumstances, the Chiefs of Staff should confer on the subject of the Japanese war with the U.S. Chiefs of Staff following consultation with the United Kingdom.

7. THE CHIEF OF THE AIR STAFF described the serious practical difficulties involved in the employment of the R.C.A.F. in Southeast Asia. On the other hand, if the R.A.F. did not participate in any other theatre and R.C.A.F. squadrons were employed elsewhere, they would serve in combination with U.S. forces and extensive re-equipment, involving an initial capital outlay of some $185,000,000 would be necessary. If Canadian squadrons served with the R.A.F., much of the equipment presently available could be utilized. Further, the R.C.A.F. was at present dependent upon the R.A.F. supply organization and, in the event of service with the United States, a new Canadian supply organization involving additional manpower would be required.

8. THE CHIEF OF THE GENERAL STAFF expressed the opinion that the Canadian Army could make a greater contribution to the defeat of Japan in the North or Central Pacific. Further, service in Southeast Asia would require extensive special training and preparation.

9. THE CHIEF OF THE NAVAL STAFF said that U.K. and U.S. Naval forces would participate against Japan in the Pacific in close co-operation. The Canadian Navy could provide appropriate units for service with the Royal Navy.

Little new equipment would be required, but the newer Canadian vessels, such as frigates, destroyers, Algerines, cruisers and escort carriers, would be employed. Preliminary consideration had been given to maintenance of the R.C.N. during Stage II at seventy percent of its present strength and the employment of perhaps 30,000 men afloat and a roughly equivalent number ashore.

10. THE WAR COMMITTEE, after further discussion, confirmed the conclusion reached by the Cabinet on September 6th to the effect that Canadian military forces should participate, as a matter of preference, in the war against Japan in operational theatres of direct interest to Canada as a North American nation, for example in the North or Central Pacific, rather than in more remote areas such as Southeast Asia, and that government policy with respect to employment of Canadian forces should be based on this principle.

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399. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Quebec, September 14, 1944

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WAR AGAINST JAPAN; PARTICIPATION BY CANADIAN FORCES

1. THE PRIME MINISTER expressed appreciation of the opportunity of having the War Committee and the Chiefs of Staff confer with Mr. Churchill, the other United Kingdom representatives present and the United Kingdom Chiefs of Staff.

2. MR. KING explained that the question of the nature and extent of Canadian participation in the Japanese war had been receiving the consideration of the government and their military advisers.

In recent discussions, it had been generally agreed that, at the end of the war in Europe, Canadian military forces should participate in the war against Japan, in operational theatres of direct interest to Canada as a North American nation, for example, in the North or Central Pacific, rather than in more remote areas, such as Southeast Asia, that government policy with respect to the employment of Canadian forces should be based on this principle and that the form and extent of participation should be determined following the present Quebec meeting.

This represented a statement of preference in the matter of operational theatres. The government would be prepared to have Canadian forces employed in the Northern Pacific or in the Central Pacific area, the latter to include operations from as far south as Hawaii, and against, for example, Formosa or the Philippines.

The government could not take firm decisions nor could plans be made for appropriate Canadian participation until the general strategic plan for accomplishing the defeat of Japan had been settled. The roles to be allotted to U.K. forces—Navy, Army and Air, in the execution of the overall plan would affect the form of Canadian participation.

In general, the government felt that the Canadian military effort should be in the main areas of assault through the North or Central Pacific and not in remote tropical theatres.

3. THE PRIME MINISTER OF THE UNITED KINGDOM emphasized the difficulty which the United Kingdom itself was experiencing in having the United States agree to participation by British forces in the Pacific. He would discuss with the President what might be possible in the matter of Canadian participation in the light of the statement made by Mr. King. The difficulty was that there were only a limited number of "front seats" for the Japanese war.

Detailed plans for operations against the Japanese and as to the part to be played by the British forces had not yet been settled. Only that morning it had been agreed that a full strength British Battle Fleet would operate, under United States command, in the main Pacific theatre. This would offer an opportunity for employment of units of the Canadian Navy in accordance with Canadian policy. It had also been agreed, in principle, that a substantial long range bomber force would be provided by the Commonwealth for the bombing of the Japanese Islands.

Solely for purposes of planning and subject to regular review, it had now been agreed to assume that the war against Japan would terminate eighteen months after the end of European hostilities.

4. THE U.K. CHIEF OF THE AIR STAFF said that in discussions with the Canadian Air Staff, a total number of 58 R.C.A.F. squadrons had been employed in preliminary planning for the occupation of Europe and for the war against Japan.

It was now proposed that the British would provide 40 long range bomber squadrons against Japan and it had been suggested that, of these, Canada might provide from 14 to 18. These arrangements, however, were subject to further consideration with the United States Chiefs to Staff. Further, the figures suggested for the R.C.A.F. component were not rigid in any way and could be adjusted to meet the decisions of the Canadian government.

5. MR. CHURCHILL said that plans for land operations in the Central Pacific had not been finally determined, nor were the final intentions of the United States known in the matter of a campaign in the North Pacific. Participation by the British Army would probably be concentrated in Southeastern Asia.

British personnel serving against Japan would be given the benefit of special rates of pay.

Any participation by the Canadian Army might appropriately be made in the Central or North Pacific where it could represent the Commonwealth. It would not be appropriate or necessary to have Canadians serve in the tropical or semi-tropical areas of Southeast Asia.

In any case the war against Japan would not be a war of numbers but would consist largely of attacks by Naval and Air Forces. In these circumstances, it should not be expected that large numbers of Canadian Army personnel would be called upon to participate.

In summary, it would appear appropriate to suggest that Canadian Naval and Air formations should participate in the war against Japan in direct co-operation with British forces while any role allotted to the Canadian Army would be carried out in co-operation with the forces of the United States.

6. THE CHIEF OF THE IMPERIAL GENERAL STAFF observed that the main operation against Japan would probably take place across the Central Pacific with, perhaps, a subsidiary operation from the North.

7. THE PRIME MINISTER expressed the view that the proposed allotment of R.C.A.F. squadrons to the Pacific under discussion between the U.K. and Canadian Staffs was too heavy in itself and disproportionate to the contributions contemplated for the other Services. This proposal would require further consideration in relation to the commitments to be made with respect to the Army and Navy.

It was essential that plans be so ordered that Canadian forces would be available for employment against Japan in the later decisive stages of the war. This would be an important consideration in determining government policy as to the measure of participation by the Canadian Navy, Army and Air Force.

In deciding upon the part which Canada would play in accomplishing the defeat of Japan, the government had to take into consideration the capacity and readiness of the Canadian people to assume further financial commitments of great magnitude in addition to those resulting from the war effort to date and the heavy undertakings involved in the programme of social legislation, including the extensive provisions made for the re-establishment of ex-Servicemen.

8. MR. KING suggested that, in the circumstances, the Canadian Chiefs of Staff should now confer with the U.S. Chiefs of Staff with regard to the role which Canadian forces might play in the Pacific.

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400. DEA/68-Cs

Mémorandum du Comité des chefs d'état-major
Memorandum by Chiefs of Staff Committee

TOP SECRET

MINUTES OF A MEETING WITH THE BRITISH CHIEFS OF STAFF HELD AT THE CHATEAU FRONTENAC, QUEBEC, ON THURSDAY, 14TH SEPTEMBER, 1944, AT 16:30 HOURS

Present:
Air Marshal Robert Leckie
Lieut.-General J. C. Murchie
Vice Admiral G. C. Jones
Field Marshal Sir Alan F. Brooke
Marshal of the Royal Air Force Sir Charles F. A. Portal
Admiral of the Fleet Sir Andrew B. Cunningham
Field Marshal Sir John Dill
General Sir Hastings L. Ismay

Secretariat
Colonel C. R. Price
Lieut.-Colonel E. W. T. Gill

EMPLOYMENT OF CANADIAN FORCES AT THE END OF HOSTILITIES IN EUROPE

SIR ALAN BROOKE referred to the discussion that had taken place at the meeting of the War Committee of the Canadian Cabinet with Mr. Churchill and U.K. representatives earlier in the day, and suggested that the present meeting should consider in more detail questions relating to employment of Canadian forces after the end of hostilities in Europe.

The United Kingdom were basing their occupational plans for Europe on the assumption that the Commonwealth contribution would be of the order of ten occupational groups for Germany, four for Austria, and a small force for Greece. In addition, certain forces might have to be provided for the Middle East to deal with security problems there, notably the Jewish-Arab problem in Palestine.

All calculations were still provisional, particularly as the question of the allocation of zones in Germany between the United Kingdom and the United States had not been settled. Earlier estimates of the forces likely to be required had proved far in excess of U.K. resources. By relying on the air threat and on the free use of air-borne armoured forces, it was thought possible to reduce their over-all commitment which still, however, remained a very heavy one.

Army

The forces of occupation would be organised as occupational groups, rather than divisions for the reason that once hostilities had ended, considerable economies could be made in artillery, engineer and other ancillary units of a

division. The over-all total of an occupational group was between 18,000 and 20,000 men as against 40,000 for a fighting division, including rear echelons. It was hoped that the Canadian government would agree to the provision of one occupational group.

LIEUTENANT-GENERAL MURCHIE said that the proposals now under consideration were on the basis that Canada would provide one composite group, drawn from the Canadian forces now in Europe. This would consist of some 25,000 men. He asked whether an estimate could be made of the period over which the occupational forces would be required.

Sir Alan Brooke said that dismemberment plans for Germany, which were now generally favoured, would probably result in prolonging the period of occupation, although in later stages, considerable reductions in forces should be possible.

It was, at this time, quite impossible to give any useful estimate of how long the occupation would last. He saw no reason, however, why, during the later stages, personnel of the occupational groups should not be relieved by younger men from home. The shipping situation would unfortunately prevent this taking place during the early stages of the occupational period.

Sir Alan Brooke then gave a brief outline of the personnel shipping situation which would confront the Allies at the end of hostilities in Europe. The redeployment of forces for the war against Japan would absorb practically all personnel shipping for many months. After that, demands for the repatriation of Dominion forces who had been serving overseas, the movement of prisoners of war, and the relief of civilians would have to be considered.

It was hoped to obtain some relief by converting cargo vessels for troop carrying purposes and by increasing the capacity of the ships where possible. Men returning home would probably prefer the discomforts of an over-crowded ship to a period of waiting. Nevertheless, the question of settling priorities in the allocation of personnel shipping was going to prove difficult to solve.

Lieutenant-General Murchie said that Canadians were naturally very anxious to "marry up" formations of the First Canadian Army as soon as possible.

Sir Alan Brooke agreed that this was most desirable and would be brought about as soon as the war situation and the opening up of communications in Europe permitted. It was, of course, impossible to shuffle divisions around at this stage of operations.

In connection with the war against Japan, he said that the initial British land effort would be in Southeast Asia. When operations there were nearing completion, a decision would have to be made as to whether further efforts were to be concentrated against Singapore or in the Southwest Pacific area or elsewhere.

Lieutenant-General Murchie said that consideration was being given to the provision of one Canadian division to participate in the Pacific war. Canada was most interested in operations in the Central Pacific or in its Northern Wing, if an attack should be mounted in that area. This interest was based on

geographical considerations and not because the Central area contained the main U.S. effort. It would, however, be some time before the Canadian division would be ready, since it would have to be reformed from units withdrawn from Europe.

Air Force

SIR CHARLES PORTAL said that he was hoping for a contribution of fourteen Canadian squadrons in the occupational air forces. He understood that, in the war against Japan, the Canadian government wished that R.C.A.F. participation should be in the main Pacific theatres and not in Southeast Asia.

Formal U.K. proposals would be forthcoming for consideration by the Canadian government and would be along the following lines:

	Europe	War against Japan
Heavy Bombers	4	18
Fighters (Day)	4	14
Air Sea Rescue	–	1
Long Range Transport	4	8
Medium Transport	2	2
Air O.P.	–	1
	14	44

It would be noted that whereas under earlier proposals which had been used as a basis for planning, eleven R.C.A.F. squadrons were earmarked for Europe and forty-seven for the war against Japan, under the new proposals the total for Europe would be fourteen and for the war in the Pacific forty-four. The grand total of fifty-eight remained unchanged.

Sir Charles Portal then explained that, upon the earlier basis for planning, the U.K. Air Staff had been hoping for a Canadian contribution to the Southeast Asia Command. From conversations he had had with Air Marshal Leckie, it now seemed unlikely that this hope would be realized; in consequence, some 8,500 ground staff and 16,500 men for rear echelons would have to be provided in that area by the United Kingdom. This might eat into the total of 48,000 personnel which it had been hoped to provide from the United Kingdom in support of the Canadian air forces in the war against Japan. These figures were exclusive of air field construction units.

The build-up in the Pacific theatres was scheduled to commence in May 1945 and might continue until the following September. Bases might be located on the Chinese coast in the area of Formosa.

As regards the rate at which the buildup should be undertaken, Sir Charles Portal said that he understood that Canada might wish to delay the provision of heavy bomber squadrons in the initial stages.

The rate at which squadrons could be accepted in the newly constructed air bases in the Pacific was very limited, and he thought that this delay could be easily arranged by substituting British for Canadian squadrons in the earlier stages if so desired by Canada. He would like confirmation of this point.

AIR MARSHAL LECKIE undertook to inform the British Chief of the Air Staff on this point.

Navy

VICE ADMIRAL JONES said that there would likely be a token Canadian Naval force provided for service in European waters and that it would include the minesweeping detachment.

SIR ANDREW CUNNINGHAM said that, arising from the discussions which had taken place earlier in the afternoon, it was now proposed that R.C.N. participation against Japan might appropriately be with the British fleet operating in the Pacific.

Vice Admiral Jones agreed that employment of Canadian Naval units in this way would be in accordance with government policy.

In conclusion, Sir Alan Brooke expressed thanks on behalf of his colleagues of the U.K. delegation to Canada for the excellent arrangements which had been made in connection with the Octagon Conference. These arrangements were a model of efficiency and he would very much like the Canadian Chiefs of Staff to convey to those responsible the grateful appreciation of the U.K. Delegation.

401. DND/Vol. 2863

Mémorandum du ministre de la Défense nationale

Memorandum by Minister of National Defence

Quebec, September 16, 1944

NOTE FOR FILE

After talking with Prime Minister on 15th instant following his conference of that morning (15th) with Mr. Churchill and Mr. Roosevelt, I authorized with P.M.'s approval the C.G.S. on afternoon of 15th to make an appointment with the U.S. Chief of Staff, General Marshall, to indicate what the Canadian Army were doing for purposes of planning, without commitment, and to discuss methods whereby mutual planning could be worked out to integrate Canadian Army component.

402. DND/Vol. 2921

Mémorandum du chef de l'état-major général au ministre de la Défense nationale

Memorandum from Chief of the General Staff to Minister of National Defence

TOP SECRET Québec, September 16, 1944

1. In accordance with your instructions I arranged an interview with General G. C. Marshall, Chief of Staff, United States Army, to confer with him regarding the role which the Canadian Army might play in the Pacific.

2. At 10:00 hours this morning accompanied by General Pope, Military Secretary, Canadian War Cabinet Committee, I was received by General Marshall.

3. I said to him that for some time the Canadian Authorities had been considering the role their armed forces might play in the Pacific on the conclusion of hostilities in Europe. I went on to say that I was authorized to confer with him regarding possible role of Canadian Army in Pacific operations but without making any actual commitments. It was their desire that this participation be carried out in those areas in which Canada had a direct interest, namely, the Central and North Pacific. I informed him that I understood that my Prime Minister had discussed this question generally with the President of the United States.

4. So far as the Army was concerned, I said that any operation in the extreme North, for example the Kuriles, did not appear particularly attractive. Such an operation would appear to be a subsidiary one. It was the Canadian desire to share in the final assault on Japan.

5. I also said that as far as I could judge limitations of time and space would make it impossible for the Canadian Army to participate in any earlier operation that might be planned. The force that would be employed would, of necessity, have to be selected from those now serving in the European theatre. The troops would naturally have to be reconstituted in some measure and be returned to Canada where they would be given leave and be re-equipped and trained, as might be necessary to fit them for the operational role in which they would be employed. I further stated that we had been thinking that the size of the Force would be approximately one division and such other ancillary troops as might be required from the Services point of view.

6. General Marshall stated that this question of "making room" had been discussed very fully during this conference. He was of the opinion that there were advantages from the psychological, or perhaps one might call it the political point of view, for the inclusion of Canadian Forces in the Pacific area. He considered that a division was a compact formation to fit into the planning and that it would be very desirable that its personnel have had previous battle experience. He said that the question of equipment might be a limiting factor although it was a matter of detail which could be worked out later. In reply to his question I stated that naturally we would prefer to use our own equipment but realized that the supply arrangements might make this impossible in all types.

7. General Marshall went on to say that while he did not foresee any insurmountable obstacle to the inclusion of a Canadian Force with the U.S. Army Forces employed in the Central Pacific, this proposal would need further study by his staff and he asked if he might have an Aide-Mémoire for this purpose.

8. I attach a copy of the Aide-Mémoire handed to General Marshall.

J. C. Murchie
Lieut.-General

[PIÈCE JOINTE/ENCLOSURE]

Aide-mémoire du chef de l'état-major général au chef d'état-major, Armée des États-Unis

Aide-Mémoire from Chief of the General Staff to Chief of Staff, United States Army

TOP SECRET Québec, September 16, 1944

This morning General Murchie (C.G.S. Canada), accompanied by General Pope, Mil. Sec. to the Canadian Cabinet War Committee, said that for some time the Canadian authorities had been considering the role their armed forces might play in the Pacific on the conclusion of hostilities in Europe. It was their desire that this participation be carried out in those areas in which Canada had a direct interest, namely, the Central and North Pacific.

So far as the Army was concerned, General Murchie said that any operation in the extreme North, for example, the Kuriles, did not appear particularly attractive. It was the Canadian desire to share in the final assault on Japan proper. So far as he could judge limitations of time and space would make it impossible for the Canadian army to participate in any earlier operation that might be planned. The force that would be employed would of necessity have to be selected from those now serving in the European theatre.

The troops would naturally have to be reconstituted in some measure and be returned to Canada where they would be given leave and be re-equipped and trained, as might be necessary to fit them for the operational role in which they would be employed.

403. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, September 20, 1944

...

EMPLOYMENT OF CANADIAN FORCES AT THE END OF HOSTILITIES IN EUROPE; EUROPEAN OCCUPATION; WAR AGAINST JAPAN

5. THE PRIME MINISTER referred to the meetings at Quebec on September 13th and 14th and to conversations there with U.K. and U.S. representatives.

It was now quite evident that, so far as Canada was concerned, military necessity could not be regarded as the governing consideration in determining the extent of Canada's participation in the Pacific war. At the end of European hostilities the United States and the United Kingdom would have at their disposal much larger forces than could actually be employed against Japan. In these circumstances, the decisions as to participation by the Canadian Services should be governed by a lively sense of the government's responsibility for

safeguarding the human and material resources of the nation as well as in the light of the considerations which he had emphasized in recent meetings of the War Committee and of the Cabinet when the subject was under discussion.

The Defence Ministers might now put forward specific proposals in the light of what had transpired since the meeting of September 13th.

6. THE MINISTER OF NATIONAL DEFENCE pointed out that the Army proposals had already been submitted to the War Committee.

They included the provision of one "occupation group" for Europe, requiring some 25,000 men, and one division with ancillary troops for the war in the Pacific, which, with necessary reinforcements for one year, would require about 30,000 men.

The total cost of these forces would be approximately $141,700,000 during the next fiscal year. Of this amount $46,650,000 would be required for the occupation group, and the balance for the division for the Pacific. Of the latter amount $15,500,000 would be non-recurring.

The total figure did not, of course, represent estimated over-all Army expenditures since there would be, in addition, the large continuing expenses for other troops not yet demobilized, and the cost of maintaining necessary military facilities in Canada.

7. THE MINISTER OF NATIONAL DEFENCE FOR AIR said that the proposed contribution of the R.C.A.F. to the occupation of Europe and to the war against Japan had now been reduced to thirty-two squadrons. Personnel involved would total some 32-33,000 or roughly half the number of R.C.A.F. personnel at present serving overseas.

Of these, seven squadrons would be employed in Europe, and the remaining twenty-five in the war against Japan. The total manpower requirements of this programme included provision for replacements (some 5,000), for necessary ancillary units (some 4,000) and approximately 6,000 airfield construction personnel who might be provided by the Army.

Capital equipment required for these thirty-two squadrons would cost approximately $160,000,000. This figure might be reduced by utilizing present equipment valued at approximately $90,000,000. Annual maintenance would be in the neighbourhood of $331,000,000.

With respect to other Air estimates, the maintaining of the Home War Establishment and the cost of the B.C.A.T.P. should be capable of reduction from $700,000,000 to between $250,000,000 and $300,000,000. This would mean that, on the basis of the present proposals, total estimated requirements for the coming fiscal year would amount to from $650,000,000 to $700,000,000, compared with the present fiscal year's total of $1,100,000,000.

The proposal for the despatch of three squadrons to Australia for service in the South Pacific[7] was being withdrawn. If any forces were required for special operations in the Northern Pacific, suitable groups could be made available from the thirteen remaining Home War Establishment squadrons.

8. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES said that plans for Naval participation against Japan were still unsettled. They could be adjusted to comply in extent with whatever policy might be determined.

The tasks which the Canadian Navy might usefully undertake would be escort work and anti-aircraft duties in the Pacific, and minesweeping in Atlantic and European waters. The larger units might be employed in actual combat duties.

9.THE MINISTER OF FINANCE said that his advisers were of opinion that it would be reasonable to provide for a total budget of not more than $4,000,000,000 for the next fiscal year, that is, one which would reflect an over-all reduction of approximately one third from the present level. To make this possible expenditures for the Services and for Mutual Aid would have to be reduced by fifty percent.

10. THE WAR COMMITTEE, after further discussion, agreed that the Services be directed to prepare, for consideration at the next meeting, statements of total requirements for the next fiscal year, in terms of money and manpower.

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404. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, September 22, 1944

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EMPLOYMENT OF CANADIAN FORCES AT THE END OF HOSTILITIES IN EUROPE; WAR AGAINST JAPAN

1. THE SECRETARY submitted a memorandum prepared by the Military Secretary from information furnished by the Chiefs of Staff and containing a tentative forecast of Service requirements for the fiscal year 1945-46, in terms of manpower and money.

This memorandum was submitted as a basis for further consideration of Staff proposals for participation in the occupation of Europe, in the war in the Pacific and with respect to Home War Establishments and personnel awaiting demobilization. The grand total of the financial estimates made amounted to $2,242,000,000. The figures were, however, tentative and had been furnished only as a basis for discussion. Copies of the memorandum were circulated.

(Military Secretary's memorandum, Sept. 21, 1944—C.W.C. document 865).[†]

2. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES explained the implications of the Naval proposals. 20,258 men afloat for service in the Pacific, with some 30,000 ashore to support the overseas effort, would enable the Canadian Navy to man all of the larger vessels expected to be available at the time, including 2 cruisers, 2 light carriers, 25 destroyers, 54 frigates, 12

corvettes (improved), 12 Algerines and the 3 *Princes*. For Europe, some 3,000 men would be required. This would permit the maintenance of a proposed minesweeping force of 30 vessels.

The financial costs were complicated by the necessity of carrying over from the present fiscal year some $149,000,000, which represented, for the most part, ship construction and the purchase of Naval stores already committed for. The plans put forward were tentative only and could be reduced in any degree to meet the decisions of the government.

3. THE PRIME MINISTER expressed the opinion that the Naval proposals were altogether too high, and quite disproportionate to an appropriate Canadian effort in the Pacific. These figures should be drastically reduced to provide less burden upon both manpower and financial resources.

4. THE MINISTER OF NATIONAL DEFENCE explained further the Army proposals. They involved one occupation group for Europe, one division with ancillary formations and reinforcements for the Pacific and for demobilization at the maximum rate of 20,000 a month. The costs for the next fiscal year were estimated at $1,030,000,000. This included $300,000,000 carry-over from the present fiscal year but did not include gratuities.

The proposals for Europe and the Pacific accorded with previous discussions in the War Committee and in the Cabinet. The estimated $98,000,000 for the Pacific force included $20,000,000 for U.S. equipment.[174]

5. THE MINISTER OF FINANCE enquired as to the possibility of reducing the Army's estimates in respect of personnel other than those to be employed in Europe or in the Pacific war.

In this connection, an important element consisted of the maintenance of N.R.M.A. personnel on pay and allowances.

It was to be noted that total R.C.A.F. requirements were now estimated at $832,000,000 rather than the $650,000,000 to $700,000,000 mentioned the previous day by the Minister of National Defence for Air.

From the financial point of view, it would be essential to provide decreased war expenditures in the next fiscal year if the total Budget were to be kept substantially below that for the current year.

6. THE WAR COMMITTEE, after further discussion, agreed to defer decisions upon the employment of Naval, Army and Aif Forces at the end of hostilities in Europe, pending re-examination of the proposals submitted.

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[174] La note suivante était dans l'original:
The following note was in the original:
Revisions now indicate that the figure of $20,000,000 for U.S. equipment should read $15,000,000 which would reduce the total estimate to $93,000,000.

405. W.L.M.K./Vol. 361

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State of State for External Affairs to Prime Minister

Ottawa, October 2, 1944

At the meeting of the War Committee on the afternoon of September 23rd, the Minister of National Defence submitted a recommendation to provide for the enlistment of up to 300 Canadian born citizens of Japanese racial origin in the Army. The purpose indicated was to train them for use in the Pacific war as translators, interpreters, for psychological warfare, and so forth. The training would be carried out in a special center, and all volunteers would be investigated prior to enlistment. At the time, decision by War Committee was deferred.

This question is one in which the Australian military authorities, the British Security people and the Indian Army, as well as ourselves and the Japanese in Canada, are closely interested. You will recall that originally the Department of National Defence felt that there were objections from the military point of view to enlistment of these people, but it has now been decided that no such objection exists to enlistment for the limited and specific purposes indicated. In the United States there has, of course, been enlistment of Japanese persons in special combat units which have been in action in Italy, and, in addition, the Nisei there have been drawn on for special translation and psychological warfare work and given training at a special camp in Minnesota. We have received requests from the Australian Army for 50 Nisei, British Security are looking for a large number (the figure of 200 has been mentioned), and the Indian Army would also like to secure as many as they can. We are given to understand that the Japanese persons in Canada constitute about the only remaining reservoir that can be drawn on by the Allied forces to provide persons for this type of work.

Apart from the usefulness of the Japanese persons to our military effort through their enlistment and training as indicated, I think there would be great value in the move for domestic reasons. On the one hand it would meet a great deal of the criticism that has been levelled against the Japanese on the ground that they are not cooperating with the Canadian authorities nor contributing to our war effort. On the other hand it would greatly improve the morale of loyal Japanese who have wished to do something in this war to show their loyalty to Canada but have, for the most part, been deprived of an opportunity.

If we do not take steps to provide for enlistment and training ourselves, the Australians and British will wish to secure their services directly. While this might meet the needs that are felt for the special work in the war in the Pacific, it would mean that both this country and the Japanese here would lose almost

entirely the indirect benefits that would be involved in their enlistment into the Canadian forces.

N. A. R[OBERTSON]

406. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, October 5, 1944

...

EMPLOYMENT OF CANADIAN FORCES AT THE END OF EUROPEAN HOSTILITIES

17. THE PRIME MINISTER said that the extent and nature of the Naval and Air participation in the Japanese war remained for decision.

18. THE SECRETARY referred to a statement of the estimated cash requirements of the R.C.A.F. for 1945-46 amounting to $832 million. This table gave a break-down in both manpower and dollar costs for thirty-two squadrons overseas, the Commonwealth Air Training Scheme, and Western Hemisphere Operations (sixteen operational squadrons). It also indicated an over-all reduction in strength from about 220,000 at April 1st, 1945, to 105,000 at March 31st, 1946.

(Departmental memorandum, Oct. 5, 1944† and attached memorandum to Minister, Sept. 21, 1944†).

19. MR. KING felt that the proposed total of thirty-two R.C.A.F. squadrons overseas (seven for Europe and twenty-five for the Pacific) should be related to the Air Forces which the United Kingdom intended to employ in these theatres. The War Committee should also have a statement as to the role it was proposed this Canadian force would play in the general strategy.

Furthermore, what was the basis of the estimated need for sixteen squadrons for "Western Hemisphere Operations?"

20. THE MINISTER OF FINANCE thought that the figure of $832 million was very high. It was based on a rate of demobilization of approximately 10,000 a month. Could not this rate be substantially increased?

21. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES observed that rates of demobilization had been tentatively agreed upon at 20,000 per month for the Army, 10,000 for the Air Force, and 5,000 for the Navy. The extent of participation in the Japanese war should first be determined and demobilization of the remainder proceed then at the maximum rate possible.

22. MR. KING pointed out that British participation in the Far East was based directly upon British interests in that area. The same was true of the United States.

The situation was quite otherwise for Canada. We had no essential interest in that part of the world and the government should be careful not to make the

mistake of endeavouring to put up too good an appearance. On the contrary, we should provide token forces and nothing more. The Canadian people would not support the commitment of large human and financial resources in the Japanese war.

23. THE MINISTERS OF JUSTICE, MUNITIONS AND SUPPLY AND TRANSPORT agreed generally with the Prime Minister.

24. MR. MACDONALD said he was prepared to cut the Naval contribution down to a figure of 10,000 men afloat, though he would prefer a figure of some 13,000 which would provide a better balanced force.

25. MR. KING suggested that if the Navy and Air Force cut their proposals to a percentage of their present overseas strength comparable to that involved in Army plans, the result would probably be appropriate.

26. MR. MACDONALD then enumerated the warships that would be manned by forces of 13,000 and 10,000 men afloat.

The Chief of the Naval Staff properly felt that the force, whatever it might be, should be a balanced one.

A force of some 10,000 men afloat would probably be composed of:

2 Cruisers
1 Carrier
2 Fleet Destroyers
4 Tribal Destroyers
4 Crescent Destroyers
4 River Class Destroyers
27 Frigates
6 Algerines

This was subject to further consideration by the Naval Staff.

27. MR. KING, referring to the operational theatres in which Canadian Naval forces might be employed against Japan, referred to the policy which had previously been determined by the Cabinet as a whole, namely, that Canadian participation should be in theatres of direct interest to Canada as a North American nation, for example, the North or Central Pacific rather than in more remote areas such as Southeast Asia.

Decision as to the participation of the three Services should be firmly based on this principle of policy which had been communicated to Mr. Churchill and the British Chiefs of Staff at Quebec and which they now fully understood and appreciated.

Canadian planning could go forward only on this basis.

The Naval and Air Staffs should submit detailed proposals showing the composition of the Canadian forces they respectively recommended for participation in the Pacific, together with a statement of the functional roles proposed for them and how they would fit in with the British forces with whom they would be serving.

28. THE WAR COMMITTEE, after further discussion, agreed to defer decisions as to the extent and nature of Naval and Air participation in the Pacific.

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407. PCO

Extraits du procès-verbal du Comité de guerre du Cabinet

Extracts from Minutes of Cabinet War Committee

TOP SECRET Ottawa, October 11, 1944

...

EMPLOYMENT OF CANADIAN FORCES AT THE END OF HOSTILITIES IN EUROPE (NAVY AND AIR FORCE)

15. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES submitted a memorandum, copies of which were circulated, setting out the proposed extent and nature of the Navy's participation in the war against Japan.

Briefly, these proposals involved the following units:

in the Central Pacific, (for operation with a British fleet under Admiral Nimitz)

(a) two cruisers, one anti-aircraft ship, some forty frigates and ten corvettes - total complement 8,812 officers and men;

(b) two light fleet carriers and ten fleet destroyers—complement 4,600 officers and men—to be added later; and,

in South East Asia, (for operations in the Indian Ocean and the Bay of Bengal)

(c) six special ships (two LSI (M), the *Prince David* and the *Prince Henry*, and four tribal destroyers)—total complement 1,726 officers and men.

(Minister's memorandum to the War Committee, Oct. 11, 1944—C.W.C. document 882).†

16. THE PRIME MINISTER observed that the memorandum submitted was based on the aide mémoire that the Canadian Joint Staff Mission, London, had received from the British Chiefs of Staff last July regarding participation of Canadian forces against Japan.[176] It did not take into account the agreed statement of government policy as to appropriate operational theatres which had been communicated to Mr. Churchill and the United Kingdom Chiefs of Staff, on September 14th, at Quebec. It was essential that this policy be adhered to by the Services and that Canadian forces should not be despatched to South East Asia.

The present proposals involved the employment of some 15,000 officers and men afloat. It had been hoped that, in the light of previous discussions, it would have been possible to keep the total strength to 10,000 or possibly 12,000.

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[176] Voir l'annexe 2 à la pièce jointe, document 387.
See sub-enclosure 2, Document 387.

The proposal to have units serve in the Indian Ocean ((c) above) could not be accepted but, as the numbers involved represented a reduction to about one-third of the present numbers afloat, the forces enumerated in (a) and (b) above, for Central Pacific operations, might be approved.

17. MR. MACDONALD said that he would forego the proposal to despatch units to the South East Asia Command.

The Chief of the Naval Staff was anxious that Canadian Naval representation in the Pacific should consist of a well-balanced force. Actual compositions in terms of the various categories of ships would require further careful review. The financial implications of these proposals also remained to be worked out.

18. THE WAR COMMITTEE, after discussion, agreed that the Naval forces for service in the Central and North Pacific, as listed in para. 5(i) and para. 7 of the memorandum submitted (total complement approximately 13,412 officers and men) be approved, subject to such changes in composition as further examination might prove to be desirable, and subject to approval of financial estimates of the cost of maintaining these forces.

...

ENLISTMENT OF CANADIAN-BORN JAPANESE

23. THE SECRETARY referred to the recommendation of the Department of National Defence discussed at the meeting of September 23rd.

24. THE WAR COMMITTEE, after discussion, agreed that the recommendation submitted, for enlistment of Canadian-born Japanese in the Canadian Army, could not be approved, but that such personnel might be enlisted in Canada in the Armed forces of other United Nations; the position of Canadian-born Japanese so enlisted in Canada not to be affected in consequence of such enlistment and service.

...

408. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET October 20, 1944

...

EMPLOYMENT OF CANADIAN FORCES AT THE END OF HOSTILITIES IN EUROPE; AIR FORCE; NAVY

6. THE MINISTER OF NATIONAL DEFENCE FOR AIR referred to revised proposals for R.C.A.F. participation in the Japanese war set out in a memorandum, copies of which had been circulated.

The R.A.F. plan for air operations against the mainland of Japan was still somewhat nebulous. The present purpose was to move the squadrons eastward to air bases which would be established on the coast of China.

(Minister's memorandum to the War Committee, Oct. 16, 1944—C.W.C. document 884.)'

7. MR. POWER, commenting upon his revised proposals, recalled that the earlier proposal, which had been accepted for planning purposes only, called for some fifty-eight R.C.A.F. squadrons for the occupation of Europe and for operations against Japan. The plan submitted, after the Quebec meetings, provided for seven squadrons for occupational duties and twenty-five for the Japanese war—a total of thirty-two squadrons.

It was now proposed that the number of R.C.A.F. squadrons should be thirty-three, eleven for occupation and twenty-two for operations against Japan. The extra squadron involved no substantial difference in cost for the reason that it would be a comparatively inexpensive "sea rescue" squadron and also because of the increase in occupational squadrons which would be less costly to maintain than those assigned to offensive operations.

These revised proposals, which were recommended for approval, provided for reduction in the numbers of men involved from 33,000 to 23,000. This had been achieved by eliminating administration and airfield construction units. The estimated cost involved in providing these thirty-three squadrons would be $366,114,000.

Total estimated cash requirements of the R.C.A.F. for the fiscal year 1945-46, including the above amount for European occupation and the Far East, would amount to $715,400,000, as compared with $832,000,000 involved in the proposals previously submitted.

(Departmental memorandum, A.M.A.F.[177] to the Minister, Oct. 19, 1944 and attached schedule.)'

8. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES said that it was very difficult to calculate accurately the amount of the Naval estimates for 1945-46. The Navy's participation in the war against Japan would involve expenditures of some $141,000,000. Demobilization at home would require approximately $63,592,000. There would also be a carry-over of approximately $108,000,000. This would amount roughly to $313,000,000, but for estimating purposes, it would be safer to say that the Navy's total requirements for the next fiscal year would amount to from $315 to $350 million.

8. THE PRIME MINISTER observed that the Minister of Finance had hoped to be able to include all Service estimates for 1945-46 to something in the neighbourhood of one and a half billion dollars. The amounts involved in the proposals now before the War Committee for the Army, Air Force and Navy came to something over two billions.

The next step should be to consolidate the estimates received from the three Services for consideration by the Department of Finance. Decisions could then

[177]Air Member for Accounts and Finance.

be taken by the War Committee in the light of Mr. Ilsley's report from the financial point of view.

10. THE WAR COMMITTEE, after further discussion, referred the matter of estimates involved in the proposals of the three Services to the Minister of Finance for examination and report.

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409. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, October 24, 1945

...

JAPANESE WAR; TRANSFERS OF R.C.N. VESSELS TO ROYAL NAVY

1. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES reported that an enquiry had been received from the Admiralty as to whether the government would be prepared to release such appropriate Naval units as the Canadian Navy did not intend to employ and which the Royal Navy might wish to man and operate against the Japanese.

2. THE WAR COMMITTEE, after discussion, agreed that there would be no objection to complying with the Admiralty's request in this respect and that the use of vessels not required by the Canadian Navy might be made available to the Royal Navy for service in the Japanese war.

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410. DEA/27-Ls

Le haut commissaire adjoint de Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures

Deputy High Commissioner of Great Britain to Under-Secretary of State for External Affairs

1003A/5 Ottawa, November 8, 1944

TOP SECRET

Dear Mr. Robertson,

I have received a telegram from the Dominions Office stating that the Admiralty have under review the requirements for the maintenance and repair of the Fleet which will be sent to the Central Pacific in accordance with the decisions of the recent Conference at Quebec.

It is intended that running repairs and maintenance should be carried out as far as possible by ships of the Fleet train, but their capacity will be limited.

Australia will be the Fleet's rear base, but, even when the facilities there are fully manned and augmented by the despatch of such special repair ratings (dockyard) as it is possible to send from the United Kingdom, they will be insufficient to deal with more than a proportion of the repair work which will have to be done by shore establishments. New Zealand has undertaken to place her available repair facilities at disposal for this purpose. But the Admiralty would also welcome the co-operation of Canada in this matter.

Accordingly the Admiralty trust that the Canadian Government will find it possible to keep the repair yards on the west coast of Canada fully manned, so that they may be available for ships of the Royal Navy in addition to those of the Royal Canadian Navy serving with the Pacific Fleet, which it is assumed will normally proceed to Canada for any major repairs.

The Admiralty also wish to seek the assistance of the Canadian Government in manning two of the repair ships of the Fleet train which are being built in the United States. Great difficulty is being experienced in obtaining sufficient special repair ratings (dockyard) from United Kingdom sources, and it would be a most important contribution to the maintenance of the Fleet's operational strength if Canada could help in this way. The complement of a repair ship is approximately 470, of which the special repair ratings amount to some 210. I understand that the Canadian Naval Mission overseas has been furnished with full information on the subject.

I should be glad if you would communicate the foregoing to the appropriate Canadian authorities and be good enough to let me have their views at as early a date as possible.

Yours sincerely,

PATRICK DUFF

411. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, November 20, 1944

...

ARMY; PARTICIPATION IN OPERATIONS AGAINST JAPAN

3. THE MINISTER OF NATIONAL DEFENCE submitted and read recommendations of the Chief of the General Staff. These conformed with plans which had already been considered at length by the Cabinet War Committee.

It was proposed that Army participation should extend to one division, with necessary ancillary troops (total personnel 30,000), that the force should operate in the Central Pacific under U.S. higher command and that the formation and personnel selected be brought back to Canada prior to departure for the operational theatre.

The area of operations and acceptance of U.S. command had already been agreed to by the War Committee.

The bulk of the force would have to be selected by the Army Commander from personnel now overseas. This selection would be made from men who expressed a preference for this duty and were prepared to forego priority in demobilization. It might be necessary to supplement their number by detailing some men from lower demobilization priority categories and by taking some specialists, even though in higher priority brackets.

The force would be concentrated in the United Kingdom prior to departure for Canada, where it would be assembled, after leave, for re-organization and training.

(Memorandum, C.G.S. to the Minister, Nov. 20, 1944).[+]

4. GENERAL MCNAUGHTON said that he had gone into these proposals carefully. In his opinion they constituted a reasonable and appropriate plan for participation by the Canadian Army. It was necessary that an early decision be made in order that plans could proceed with U.S. authorities.

It was not intended to provide for any general re-engagement of personnel composing the force but no difficulty was anticipated in obtaining sufficient numbers from those who expressed a preference for this service. There might be exceptions in a limited number of cases, perhaps with certain specialists. In any event, however, it was to be noted that all personnel would be of General Service category, whose employment in the Pacific required no extension of their present terms of engagement.

Approval of the proposals submitted was recommended.

5. THE CABINET, after discussion, approved the proposals submitted by the Minister for Canadian Army participation in the war against Japan.

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412. DND/Vol. 2922

Le président, la mission canadienne conjointe des états-majors, Washington, au chef d'état-major, Armée des États-Unis

Chairman, Canadian Joint Staff Mission, Washington, to Chief of Staff, United States Army

TOP SECRET Ottawa, December 9, 1944

Dear General Marshall,

You will recall that on the morning of 16 September at Quebec, my predecessor, Major General Pope, in company with Lieut. General Murchie, (C.G.S., Canada), met you and indicated Canada's desire to participate in the assault on Japan following the defeat of Germany. A summary of this preliminary discussion was contained in an Aide Mémoire addressed to you under date of 16 September.

On the 20th November 1944 the Canadian Government approved a proposal that Canadian Army participation should consist of one division, with such ancillary troops as may be required.

The Canadian Government further approved that this Force should operate in the Central Pacific Area, and, subject to your concurrence, under the higher command of the United States Forces.

As it is desirable that the bulk of our Force be composed of battle experienced troops, the division to form the Canadian Force is to be selected and designated by the Army Commander Overseas.

On this basis planning is proceeding on the assumption that the Force will probably not be ready to take part in active operations until six months after the termination of hostilities against Germany, unless developments are such as will enable the Force to be released from the European Theatre prior to that time. Of necessity, personnel selected will be brought back to Canada, granted one month's leave and then refitted and reorganized for Pacific operations.

Although, as I have indicated, the date on which the Force can be released from Europe is uncertain, nevertheless, for planning purposes, it is necessary that we should know:

(a) Whether the participation of the Canadian Army in the Central Pacific under the higher command of the United States Forces is acceptable to the War Department.

(b) In broad outline the probable employment of the Force and, so far as possible, its strength, composition, and organization, so that plans for the selection of the major units concerned can now be put in hand.

I would welcome the opportunity of discussing these matters further, either with yourself or your staff, at any time which may be convenient to you.

I will be out of town until Wednesday afternoon, 13 December, but will be available at any time thereafter.

With kindest personal regards,

Yours sincerely,

H. F. G. LETSON

Major General

413. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, December 11, 1944

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AIR; PARTICIPATION IN EUROPEAN OCCUPATION; JAPANESE WAR

19. THE CHIEF OF THE AIR STAFF reviewed the Air Force proposals.

These now involved the employment of a total of thirty-three squadrons, eleven for Europe, twenty-two for the Far East. In addition, there would be required in Canada from six to fifteen, depending on the extent to which patrolling and escort work would be required in Western Air Command.

The R.C.A.F. in the Pacific would be employed with the R.A.F., which would eliminate the necessity of re-equipping with U.S. equipment, apart from transport aircraft.

20. AIR MARSHAL LECKIE felt it necessary to recommend, in addition, the provision of an aerodrome construction unit of some 6,000 men to meet the anticipated requirements of the probable theatre of operations. In earlier discussions, it had been thought that such a unit might be provided by the Army.

21. THE WAR COMMITTEE, after further discussion, agreed that Air Force participation of eleven squadrons for European occupation and twenty-two squadrons for operations against Japan be approved, and that decision with respect to the provision of an aerodrome construction unit be deferred.

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414. DND/Vol. 2922

Les chefs d'état-major conjoints des États-Unis au président, la mission canadienne conjointe des états-majors, Washington

Joint Chiefs of Staff of United States to Chairman, Canadian Joint Staff Mission, Washington

TOP SECRET Washington, December 21, 1944

My dear General Letson,

With reference to your letter to General Marshall, dated 9 December 1944 concerning Canadian Army participation in the war against Japan, the Joint Chiefs of Staff accept the proposal that a Canadian Army Force of one division with such ancillary troops as may be required will participate in the war against Japan under the higher command of United States forces, with the understanding that this force will be available for use in any of the operations mounted in the Pacific.

The desirability of advancing planning measures for this project is recognized. However, present uncertainty as to the date the Canadian troops can be made ready for operations precludes decision at this time as to their exact employment.

Sincerely yours,

For the Joint Chiefs of Staff
WILLIAM D. LEAHY
Fleet Admiral, U.S. Navy

415. DEA/27-Ls

Le sous-secrétaire d'État aux Affaires extérieures au haut commissaire adjoint de Grande-Bretagne

Under-Secretary of State for External Affairs to Deputy High Commissioner of Great Britain

TOP SECRET

Ottawa, December 27, 1944

Dear Mr. Holmes,

With reference to your letter of 20 December,[†] I would advise that the War Committee have now reviewed the considerations regarding the maintenance and repair of the fleet to be sent to the Central Pacific which, in the first instance, were brought to our attention by Sir Patrick Duff in his letter of the 8th November last.

As regards the repair yards on the West Coast, I would point out that, for the most part, these facilities are controlled by private firms and that consequently the question of keeping them fully manned is, primarily, not a naval one. There will, however, be no difficulty in the way of keeping them in full operation during the period in question and available for ships of the Royal Navy as well as to those of the Royal Canadian Navy. I would add, in this connection, that questions of relative priority of R.N. as compared with R.C.N. and merchant shipping repair work would have to be determined in each case by arrangement between Naval Service Headquarters and the Admiralty.

The Admiralty's suggestion that Canada might contribute some 420 special repair ratings to assist in the manning of two of the repair ships of the Fleet train now being built in the United States, raises a question which does not admit of easy solution. The allocation of these men for the purpose in question could only be made at the expense either of the combatant fleet or of other essential repair commitments. Moreover, in view of differences in rates of pay, scales of victualling, disciplinary regulations and usages in the two Services our Naval authorities feel that this proposed mixing of crews is not in the best interests either of efficiency or morale and, in consequence, should be avoided. Rather does it appear that a more acceptable alternative might be for the Royal Canadian Navy to accede to the Admiralty's earlier request that they man two escort maintenance vessels for duty with the Pacific Fleet, provided that this can be done within the limits of the approved programme for our naval participation in the Pacific war. I understand that this aspect of the matter is being discussed direct between Naval Service Headquarters and the Admiralty.

Yours sincerely,

N. A. ROBERTSON

416. W.L.M.K./Vol. 361

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, January 8, 1945

Sir William Glasgow[178] called this morning as he had been instructed by his Government to take up the matter of the Japanese Canadians whom the Australian authorities have been hoping to obtain for Psychological Warfare purposes. We have had a good deal of correspondence with Mr. Davis[179] on this matter.

As a result of an investigation by the Royal Canadian Mounted Police three Japanese Canadians were found in British Columbia who appeared to be suitable for the purposes required by Australia, that is to act as announcers or monitors. The men were willing to go until it was drawn to their attention that no actual guarantee of re-entry could be given to them. They then informed the Royal Canadian Mounted Police representative that they were not prepared to accept the offer. It was not known finally whether the men were suitable as they had not yet been examined in the Japanese language. We felt, however, that this would not usefully be done until all other questions were cleared up.

Sir William informed me that the experiments conducted in Psychological Warfare directed against Japan from Australia had been highly satisfactory and the Australian authorities regarded it as a matter of urgency to obtain one or two Japanese Canadians for these purposes.

I explained to Sir William that under the existing law the men would be permitted to leave the country for this purpose and would equally be permitted to return. It was, however, theoretically possible though not probable that they could be refused re-entry. The Australian authorities, I gather, would be reluctant to accept the men on these conditions and the men themselves are not willing to go without an assurance.

I told Sir William that I would bring this matter to your attention especially as he urged the importance of the matter.

N. A. R[OBERTSON]

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[178] Haut commissaire d'Australie.
High Commissioner of Australia.

[179] Haut commissaire en Australie.
High Commissioner in Australia.

417. PCO

Extraits du procès-verbal du Comité de guerre du Cabinet

Extracts from Minutes of Cabinet War Committee

TOP SECRET Ottawa, January 17, 1945

EMPLOYMENT OF JAPANESE-CANADIANS FOR SPECIAL DUTY IN AUSTRALIA

14. THE SECRETARY, referring to the decision taken at the meeting of October 11th last, reported that, as a result of investigation, three Japanese-Canadians had been found whom the Australian government wished to employ for special duty in connection with psychological warfare. A barrier to their so doing, however, was the unwillingness of such personnel to accept this employment unless the government guaranteed their re-entry into Canada after the war.

An explanatory note had been circulated.

(Secretary's note, Jan. 16, 1945—C.W.C. document 921.)

15. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS explained the position.

It would clearly be impossible to include, in any postwar deportations to Japan, any Canadians of Japanese race who accepted war employment under the Australian government. On the other hand, under the decision of October 11th, it was not possible to give any guarantee for their re-entry into Canada without which they were unwilling to accept this employment. The Australian government were very anxious to obtain their services.

16. THE MINISTER OF NATIONAL DEFENCE felt that the original Army recommendation, namely, that such persons be taken into the Canadian Army and then loaned to Australia, offered the best solution. If this procedure were adopted, there need be no publicity involved and it could be arranged that personnel so enlisted serve without uniform. Such men were capable of making a valuable contribution to the war.

17. THE WAR COMMITTEE, after further discussion, agreed that suitable Canadians of Japanese race, to a maximum, for the present, of one hundred, might be accepted for enlistment in the Canadian Army and for subsequent loan to the Australian government for special duty.

It was also agreed that no publicity should be given to this decision and that the Minister of National Defence would consult the Minister of Veterans Affairs before action was taken.

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R.C.A.F.; EMPLOYMENT OF OPERATIONAL SQUADRONS OVERSEAS

22. THE PRIME MINISTER pointed out that government policy as to the areas in which Canadian forces should be employed against Japan had been clearly

established immediately prior to and following the last Quebec Conference. Nevertheless, certain R.C.A.F. squadrons were apparently serving in India or South-east Asia and a recent newspaper report indicated that Air Marshal Breadner was proceeding to India.

In the circumstances, the Secretary had been directed to obtain a complete statement of the areas in which all overseas R.C.A.F. squadrons were now operating.

23. THE SECRETARY reported that Acting Chief of the Air Staff had provided the report requested by the Prime Minister.

This report indicated a grand total of 45 overseas operational squadrons, located as follows:

24 in the United Kingdom,
17 in Holland, Belgium and France,
2 in India (medium range transport),
1 in Iceland, and,
1 in Italy.

There had also been a general reconnaissance squadron in Ceylon but this had ceased operations on December 4th last.

(Memorandum, Acting Chief of the Air Staff to the Acting Minister, Jan. 16, 1945, Appendices A, B, C, D.)'

24. THE ACTING MINISTER OF NATIONAL DEFENCE FOR AIR said that, on enquiry, it had been ascertained that the two transport squadrons in India had been authorized for employment there in July, 1944. On September 29th, the Air Officer Commanding in Chief Overseas had been informed by the Minister of the government's decision as to areas of operations but, upon word that withdrawal of these squadrons would prove embarrassing at that time, their return had been deferred.

It was also stated by the Air Staff that these two squadrons were designed as a link in lines of communication to support the authorized Canadian force which would operate against Japan upon the termination of European hostilities.

(Memorandum, Acting Chief of the Air Staff to the Acting Minister, Appendices D and F.)'

25. THE MINISTER OF NATIONAL DEFENCE expressed the view that the Air Officer Commanding in Chief, R.C.A.F. Overseas, should report to the Chief of the Air Staff of whom he was independent under existing arrangements. The position of this officer should be regularized and brought within the normal channel of responsibility.

In this connection, the recently approved instructions of the Joint Staff Mission had been carefully drawn to define the joint relationship of the Mission to Ottawa.

26. THE WAR COMMITTEE, after further discussion, noted the reports of the Secretary and Acting Minister of National Defence for Air, and agreed that the Acting Minister should forthwith pursue actively the matter of the return of R.C.A.F. squadrons from India and amendment of formal relations of the

Air Officer Commanding in Chief Overseas to the Chief of the Air Staff and the government.

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418. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET February 7, 1945

...

AIR; EMPLOYMENT OF R.C.A.F. SQUADRONS BASED IN INDIA

26. THE ACTING MINISTER OF NATIONAL DEFENCE FOR AIR, referring to the discussion at the meeting of January 24th, read a reply received from the Chief of the Air Staff who was now in Britain.

Air Marshal Leckie reported that, as matters now stood, it would be impossible for the R.A.F. to relieve these squadrons from their present assignment until the conclusion of the German war. The Air Ministry were aware that the employment of R.C.A.F. squadrons in the India-Burma theatre was contrary to Canadian government policy, but their position was not such as to enable them to effect relief until the conclusion of the war in Europe would make R.A.F. replacements available.

The R.C.A.F. took the view, too, that personnel of the two units in question were acquiring experience which would prove of great value when the time came for the R.C.A.F. to operate with the R.A.F. in the war against Japan.

(Air Force Signal, C.A.S. to the Acting Minister, Jan. 27, 1945).†

27. THE WAR COMMITTEE, after discussion, noted the Acting Minister's report and agreed, in the circumstances, to the continued employment of the two R.C.A.F. transport squadrons in the India-Burma theatre, it being understood, however, that the arrangement with the Air Ministry for return of these squadrons on the conclusion of the war in Europe would be strictly adhered to.

...

419. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET OTTAWA, FEBRUARY 14, 1945

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NAVY; LOAN BY UNITED KINGDOM OF CARRIERS
AND DESTROYERS; JAPANESE WAR

11. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES reported that the Admiralty had offered to transfer on loan to the Royal Canadian Navy two Light Fleet Carriers (Colossus Class) and a Flotilla of eight Crescent Class Fleet Destroyers, all from new construction, for employment with the Canadian naval forces in the Pacific area.

While it was intended that these ships be employed in accordance with the government's established policy as to appropriate theatres of operations for Canadian forces, the Admiralty appreciated that urgent operational requirements or logistic difficulties might necessitate the temporary deployment of any or all of them in an adjacent theatre, i.e., the Indian Ocean, in such event the Admiralty would represent the circumstances to Naval Service Headquarters, and would hope that favourable consideration would be given to such representations.

It was recommended that acceptance of these units on the conditions set out in a memorandum which had been circulated be approved.

(Minister's memorandum Feb. 14, 1945—C.W.C. document 940).[†]

12. THE PRIME MINISTER observed that the Admiralty's reservation as to possible employment of these vessels in southern waters would be a definite departure from the well defined policy of the government and, as such, should not be accepted.

13. THE MINISTER OF FINANCE raised the question of purchase rather than loan.

From the purely financial point of view, if these units would be required by the Navy after the war, it would be preferable to buy them now. The solution might be to take them on loan now with the understanding that Canada could purchase from the United Kingdom later on should the government desire to do so.

14. THE WAR COMMITTEE after further considerable discussion, agreed that the Admiralty offer to transfer these vessels on loan to the Canadian Navy be accepted, on the understanding that Canada would have the right to buy the carriers at a later date should she so desire and on condition that their employment be restricted to the Central and North Pacific areas in accordance with previously decided government policy.

...

420. DND/Vol.2641

Le sous-secrétaire d'État aux Affaires extérieures au chef de l'état-major général

Under-Secretary of State for External Affairs to Chief of the General Staff

SECRET Ottawa, February 15, 1945

Attention Major-General R. B. Gibson

The decision of the Cabinet War Committee on January 7th[180] that a maximum of one hundred Canadian nationals of Japanese race might be accepted for enlistment in the Canadian Army raises a number of questions with which this department has been concerned. I understand that they have already been discussed with you by Mr. Glazebrook.

During the past year or two requests have been received from other Commonwealth Governments for Japanese-Canadians qualified to undertake particular tasks connected with the war. The request which gave rise to the decision of the War Committee was from the Australian Government for two or three men suited to act as monitors in connection with the Allied Political Warfare Committee in Australia, on which Committee Canada is represented. Persons apparently qualified for such work had been located and interviewed by an officer of the Royal Canadian Mounted Police. A further test in language was necessary before a final choice was made, but efforts to get these men for the Australian Government were abandoned when it was thought that no assurance could be given them about their eventual re-admission to Canada.

Under the authority of the War Committee decision such persons can now be enlisted in the Canadian Army. In view of the urgency of the Australian request it would be desirable that such persons when finally selected should be sent to Australia with the least possible delay. We should be glad to take up with the Acting Australian High Commissioner possible arrangements for transportation. Unless some arrangement could be made for escorting these men, it might be desirable, if you are willing, that they should go in civilian dress. Since it is also desired that they retain their status as Canadian soldiers while in Australia, I should be glad to have your views as to the form of attachment which would be most feasible. Their work, of course, will be of a non-military character and when it was proposed to send them as civilians the Australian Government was prepared to pay salaries and expenses. Under the present situation I presume that some different type of arrangement will be necessary.

You are aware, I think, of another request from the Australian authorities, transmitted through the Canadian Military Attaché, Colonel Cosgrave, for

[180] En réalité, la date est le 17 janvier. Voir le document 417.
In fact, the date was January 17. See Document 417.

some fifty Japanese-Canadians for the Australian Armed Forces as translators and interpreters. The War Committee decided against this request on July 5th, 1944, but I presume it could now be met under the authority of the recent decision. I take it that this aspect of the situation is one which concerns your department.

In view of the circumstances under which the question of Japanese-Canadians being enlisted into the Canadian Army and loaned for special purposes came up in connection with the first Australian request mentioned above the decision of the War Committee was to the effect that such persons might be accepted for enlistment and for subsequent loan to the Australian Government for special duty. There is, however, a related case which might properly come under this decision. As you know, permission was given to British Security Co-ordination to secure a maximum of thirty-five Japanese-Canadians for loan to the British Army and for subsequent use in Psychological Warfare in South East Asia. The actual sending of this group was delayed in view of the difficulty of establishing the status of the men in relation to their return to Canada. It would, I think, be desirable and proper that they should be enlisted in the Canadian Army and immediately thereafter to the War Office. I understand that the War Office is prepared to provide for their basic military training at the same time as for training for their special work. This again is a matter of some urgency and it is desired by the United Kingdom authorities that the group in question should be transported at the earliest possible date. To avoid difficulties which might arise if the men were sent in a troop ship, prior to any military training here, efforts are being made to see whether air transport could be provided for the fourteen men now ready.

I should, therefore, be glad to have your views on whether the Department of National defence is prepared to proceed with meeting the above requests under the authority granted by the War Committee on January 17th, and secondly your recommendations on the specific questions raised, particularly in relation to the first and third groups. I might say on the first point that I regard the War Committee's decision as settling a question of policy, viz. that of accepting for enlistment in the Canadian Army suitable Canadians of Japanese race whose services are required for the war effort of other Commonwealth Governments. Within the limit of 100 men set by the War Committee I think you can proceed to meet Australian, United Kingdom or Indian Government requests to the extent that suitable men are available.

N. A. ROBERTSON

421. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, February 21, 1945

...

NAVY; PROVISION OF VESSELS FOR THE PACIFIC WAR

3. THE PRIME MINISTER, referring to the decision at the previous meeting, said that he had asked the Minister of National Defence for Naval Services to review the nature of the proposed Naval participation in the war against Japan and to indicate the effect of accepting on loan from the Admiralty the two light fleet carriers and eight fleet destroyers which had been offered.

In this connection it was particularly important for the government to know what disposition would be made of other R.C.N. destroyers now in commission or under construction.

4. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES submitted a report upon the position regarding R.C.N. units.

Taking into account one that would come into commission next May, the Canadian Navy had now 15 destroyers. Of these, nine were of the River class, all of which were old; the newest had been built in 1935; all had had five years war service. This type of craft was not altogether suitable for service in the Pacific owing to limited endurance and lack of anti-aircraft equipment. Moreover, due to age, maintenance would be a heavy item. All these had been obtained from the Admiralty.

Of the remaining six destroyers, two were of the "V" class, fairly modern (four to six years old), and were quite suitable for use in the Pacific. These had been obtained from the Admiralty without cost to Canada.

The remainder of our destroyer strength consisted of four *Tribals*. These were good ships and carried heavy armament. They were, however, deficient in endurance and were not well suited for service with a task force of the kind contemplated.

Canadian cruisers and light fleet carriers would need not less than a flotilla of eight destroyers for efficient work to form an effective screen for the larger vessels.

(Memorandum, C.N.S. to the Minister, Feb. 20, 1945).'

5. MR. MACDONALD said that the destroyers to be obtained on loan from the Admiralty (of the Crescent class) would be in substitution for older vessels now in commission.

When the new vessels had been taken over, the destroyers now in commission would be continued in use in the Atlantic or for training, or be laid up, as circumstances indicated to be desirable.

Acceptance of these destroyers from the United Kingdom would not in any way involve an increase of the strength of 13,412 men at sea in the Pacific; the total number contained in the approved Naval programme.

It seemed far more satisfactory in every way that the Canadian Naval force operating with the Royal Navy in the Pacific be equipped with these new destroyers, rather than frigates or the destroyers presently in commission.

6. THE WAR COMMITTEE, after discussion, noted with approval the Minister's report and confirmed the decision taken at the meeting of February 14th for acceptance of carriers and destroyers for service in the Pacific.

...

422. DEA/6309-40

Le chef de l'état-major général au sous-secrétaire d'État aux Affaires extérieures

Chief of the General Staff to Under-Secretary of State for External Affairs

SECRET Ottawa, February 22, 1945

ENLISTMENT OF JAPANESE CANADIANS

Reference your letter of February 15, 1945, on the question of enlistment into the Canadian Army of Canadian personnel of Japanese racial origin.

I would advise you in the first place that all arrangements are now in hand for the enlistment and despatch to the United Kingdom of the personnel to be loaned to British Security Coordination for special duties in South-East Asia. It is anticipated that 14 of such men who have now been selected will be despatched under escort of an officer by troopship sailing early in March and as other suitable personnel up to a total of 35 are selected, action will be taken to enlist them into the Canadian Army and despatch them to the United Kingdom.

As a result of further discussions with Mr. Glazebrook of your Department, it has now been arranged that the three men selected for duty with the Allied Political Warfare Committee will be enlisted into the Canadian Army in Vancouver where, I understand, the men are now located. Full particulars concerning these men should therefore be furnished to this Department so that arrangements can be completed for their enlistment into the Army.

Insofar as their despatch to Australia is concerned, it is considered that the Australian authorities should assume this responsibility, including escort if they go in uniform, and it is requested that you initiate action in this regard. Should it prove impossible for the Australian authorities to effect suitable arrangements, then the Canadian Army will arrange for the despatch of these men but they will be sent to the United Kingdom in uniform in a normal troop movement and there handed over to the Australian authorities in London for subsequent despatch to Australia.

For the purposes of Army administration, it is necessary that some Australian military authority be appointed to whom these men will be attached. It has therefore been decided to attach them to the Directorate of Military Intelligence, Australia, by whom they may be seconded to perform any necessary duties either in a civilian or a military capacity. I would ask that this arrangement be cleared with the Australian authorities.

Finally, the three men for Australia will hold the rank of private and will be paid accordingly by the Canadian Army. The nature of the duties they are called upon to perform in Australia may warrant higher pay, but as it will be difficult to arrange for their military promotion, particularly as their employment may be civilian rather than military, it is suggested that Australia

should undertake to augment their rate of pay to the extent deemed appropriate. It is requested that this arrangement also be taken up with the Australian authorities for their concurrence.

The remaining request for the loan of Canadian Nisei concerns 50 men to serve as translators and interpreters with the Australian Military Forces. Appropriate action is being taken by the Army to secure and enlist suitable personnel.

I agree with the interpretation which you have placed on War Cabinet Committee's decision as expressed in the penultimate sentence of the last paragraph of your letter.

R. B. GIBSON
Major-General
for the Chief of the General Staff

423. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, February 28, 1945

...

R.C.A.F.; PARTICIPATION IN WAR AGAINST JAPAN

1. THE ACTING MINISTER OF NATIONAL DEFENCE FOR AIR, referring to discussions of this question following the Quebec Conference, pointed out that, at the meeting of December 11th, 1944, it had been agreed that twenty-two R.C.A.F. squadrons should be employed in the Pacific against Japan.

At that time, plans had been based on the understanding that the United States would make operational airfields in the Pacific theatre available to the R.A.F., with which these R.C.A.F. squadrons would be serving. It had now been ascertained, however, that the United States would not be in a position to do this and, as a consequence, it would be necessary for the British force to provide construction and other services for their own squadrons.

This changed situation immediately raised the important question whether the R.C.A.F. contingent should be expanded to include supply, construction and ancillary units which would permit of their organization as a fully integrated and independent group within the British force, or whether plans should be revised so as to reduce the number of R.C.A.F. squadrons and provide the necessary services within the total numbers of R.C.A.F. personnel earlier contemplated.

In order to provide twenty-two R.C.A.F. squadrons with adequate construction, supply and ancillary services, it was estimated that a total strength of 40,000 men would be needed. Previously it had been estimated that the total R.C.A.F. contribution (in Europe and the Pacific—thirty-three squadrons) would call for total personnel of some 23,000.

In the circumstances, the War Committee's direction was required as to the basis upon which R.C.A.F. planning should proceed.

2. THE CHIEF OF THE AIR STAFF described present plans for the operation of British heavy bomber squadrons in the Central Pacific.

It had been contemplated that the twenty-two R.C.A.F. squadrons would comprise one-third of the total British force employed in that theatre, and, following earlier discussions in the War Committee, R.C.A.F. plans had been proceeding on that basis.

The difficulty concerning airfield construction to which the Minister had referred had, however, materially altered the situation and, in the new circumstances, it had been suggested that Canada undertake to provide construction and supply units. In this connection, it was to be noted that, from the point of view of developing a fully integrated Canadian force, it was desirable that R.C.A.F. squadrons provide their own services and not depend upon the R.A.F. It would be difficult to achieve this objective below the level of one of the three planned groups, but to do this, it would be necessary to increase R.C.A.F. manpower commitments for the Pacific to approximately 40,000 men.

3. THE WAR COMMITTEE, after discussion, agreed that the extent of R.C.A.F. participation in the war against Japan should not exceed, in terms of manpower, the numbers contemplated at the time the War Committee approved the overseas employment of a total of thirty-three R.C.A.F. squadrons (in European occupation and in the Japanese war) namely, some 23,000 men, and that the Air Staff re-examine the position in the light of the new circumstances, with a view to the preparation and submission of plans, on this basis, for an appropriate Canadian contingent to the Pacific.

...

424. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, March 7, 1945

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NAVY; REPAIR FACILITIES FOR ROYAL NAVY FOR PACIFIC OPERATIONS

24. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES, referring to consideration of earlier proposals from the Admiralty on this subject at the meeting of December 11th last, reported that the U.K. High Commissioner had made a recent further request for provision by Canada of a substantial number of special ship repair ratings and ship's complements for service with the British Pacific Fleet.

While this request was being reported to the War Committee, it was not the intention to make any proposals in this regard at the present time.

(C.N.S.'s memorandum to the Minister, March 1, 1945).†

25. THE WAR COMMITTEE noted the Minister's report.

MILITARY PARTICIPATION IN THE PACIFIC WAR;
JOINT RE-EXAMINATION OF SERVICE PROGRAMMES

26. THE ACTING MINISTER OF NATIONAL DEFENCE FOR AIR reported that Air Marshal Lloyd, who had been designated to command the British Air forces which were to operate in the Central Pacific against Japan, had visited Ottawa following discussions in Washington with the U.S. Army Air Corps.

Air Marshal Lloyd had ascertained that the British forces would have to provide all of their own supplies and services. It was planned that they would operate in the first instance from Luzon, though there was a possibility that they might be able to share some airdromes with U.S. Forces. He had enquired if it would be possible for the R.C.A.F. to provide construction and supply units even at the expense of a reduction in the number of Canadian operational squadrons.

27. THE MINISTER OF NATIONAL DEFENCE felt that this further information as to the unsettled nature of plans for the British bomber force emphasized the importance, in the national interest, of making every effort to bring about some measure of integration in the Pacific programmes of the three Canadian Services. In the circumstance, the Navy were bound to operate with the Royal Navy, but the operations proposed for the Army and the Air Force might be re-examined to advantage with this object in mind.

It was, therefore, suggested that the War Committee direct the Chiefs of Staff to enquire into this matter and to submit recommendations. It might prove that, as a result of this enquiry, instead of the Army providing one division to serve entirely under U.S. operational command, it would be possible to provide Army units capable of building airfields for the Canadian squadrons and of undertaking their local defence. Such a change of role might adversely affect the morale of Army personnel involved, but this difficulty was capable of solution.

Looking beyond the proposed establishment of an Air force in the Philippines, it was possible that an operation such as the seizing of an island from the Japanese might be feasible for a Canadian force. No increase in the overall Canadian commitment was contemplated but the situation was one which deserved careful review with the above considerations in mind.

(Draft directive to the Chiefs of Staff, March 7, 1945).†

28. THE WAR COMMITTEE, after discussion, agreed that the Chiefs of Staff be directed to review the matter of the employment of Canadian Naval, Military and Air Forces in the Pacific theatre of operations, and to submit recommendations as to how the approved contribution of each Service could best be employed, having in mind the desirability, in the national interest, of

making provision for close association between the several Canadian forces in operations to be undertaken in the Pacific theatre.

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425. W.L.M.K./Vol. 350

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre

Memorandum from Secretary, Cabinet War Committee, to Prime Minister

TOP SECRET Ottawa, March 17, 1945

In the last paragraph of my note on my recent visit to Washington,† I guardedly referred to the fact that in conversation with a United States friend it was made clear to me that his country would be glad if the co-operation of the R.C.A.F. with the United States Army Air Corps in the Pacific War could in some way be arranged.

In thinking the matter over it has occurred to me that I might now usefully elaborate the point.

Throughout the course of the war, it has been abundantly clear that, from the aspect of defence, the United States have a special interest in Canada. Two years ago the remark was made to me by an officer of the State Department that no matter what the views of the United States or Canadian Military might be, he proposed to press that as a North American Nation, Canada should be invited to play a part in the task of ejecting the Japanese from the Aleutians. In line with this thought my United States friends, both military and civil, always take the ground that in respect of North American defence we are members of the same team. So much is this so that I have repeatedly noticed that they seem almost to resent our Commonwealth connections generally, and our connection with the United Kingdom in particular.

I believe that our suggestion last Autumn that a Canadian division might be associated with the United States Army in the invasion of Japan was very welcome to them, and that had it not been made, ways and means of intimating to us the desirability of such a course of action would have been found.

The idea that the R.C.A.F. might also associate itself with the United States Army Air Corps is another instance of this special interest. It seems to have originated entirely from the United States side, and I understand that the question has already been mooted to our officials by the United States Ambassador to Canada. It was said to me that while it could not be said officially, we could take it that any possible reluctance on our part because of difficulties in the way of using United States equipment could be composed.

Presumably word of this will come from National Defence for Air in due course.

MAURICE POPE

426. DEA/68-Fs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 54 London, March 20, 1945

PERSONAL AND TOP SECRET. Following for the Prime Minister from the Prime Minister, Begins: You will remember that at Quebec last September I drew attention to the vital importance that we attach to having a share in the main operations against Japan. The President accepted the offer of the British Fleet and agreed to the participation of British Air Forces in the bombing of Japan.

2. For reasons which your staff will be able to explain to you fully it is most desirable that the British and Canadian bomber force should be self-contained and not dependent on the Americans for the construction of airfields and the provision of other facilities. There has been some difficulty in finding a satisfactory base for a self-contained force, but the American Air Force staff are now prepared to offer a suitable area in the valley of the Cagayan in northern Luzon. We are very anxious to accept and the Chiefs of Staff are approaching the United States Chiefs of Staff at once in an attempt to close with the offer.

3. I am sure that you share my view that our Air Force must have an important share in the main operations against Japan and I hope that you will give your blessing to the efforts which we are making to ensure that our joint contribution should be prompt and effective. Ends.

427. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, March 22, 1945

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PARTICIPATION IN JAPANESE WAR; RE-EXAMINATION OF SERVICE PROGRAMMES; CHIEFS OF STAFF REPORT

17. THE SECRETARY, referring to the discussion at the meeting of March 7th, submitted a report of the Chiefs of Staff consequent upon their re-examination of Navy, Army and Air Force plans for the Japanese war, with particular reference to the question of providing a separate self-contained force of all arms.

The report, after reviewing the factors involved, concluded that, on the scale of participation presently planned, only tasks of minor importance would be allotted to a composite force, and that, without a greatly increased commitment on the part of all three Services, participation on a self-contained basis should not be considered.

It was, therefore, recommended that the approved contribution of the Navy and the Army should be with the Royal Navy and the U.S. Army respectively, as planned, and that the R.C.A.F. be employed with the R.A.F. R.C.A.F. participation would be to the best advantage in the form of a Canadian self-contained group, but this would require an increase in manpower of some 20,000 over the present authorized figure; the alternative would be to make R.C.A.F. units (to include 13,000 personnel) available to the Air Ministry to be used in whatever capacity they would best assist the R.A.F.

Copies of the report had been circulated.

(Memorandum, Chiefs of Staff Committee to the War Committee, March 20, 1945—C.W.C. document 960).†

18. THE MINISTER OF NATIONAL DEFENCE FOR AIR said that the situation with respect to Air Force plans had now altered.

A message from Air Marshal Breadner† had indicated that the whole question of R.A.F. participation in the Pacific was under review. In these circumstances it was desirable to await further developments before any decision were taken.

In connection with future Canadian operations, authorization for an exploratory tour of public relations officers to the Pacific theatre had been requested. In view of the uncertainty as to the area in which the R.C.A.F. would be engaged, it seemed doubtful if anything would be gained by such a visit.

19. THE MINISTER OF NATIONAL DEFENCE said that he had recently authorized Army Public Relations (Lieutenant-Colonel Malone) to make a trip of this nature. The matter might be discussed by the Chiefs of Staff with a view to co-ordinating the publicity enquiries for the three Services.

20. THE WAR COMMITTEE, after further discussion, approved the recommendations of the Chiefs of Staff in so far as they applied to Navy and Army, and deferred decision on the question of the form of Air Force participation.

PARTICIPATION IN JAPANESE WAR;
PARLIAMENTARY STATEMENT

21. THE SECRETARY reported that the Prime Minister proposed to make a short statement in Parliament, in the near future, on the government's intentions as to Canadian participation in the war against Japan.

The statement would inform the House that there would be no conscription for service in the Pacific, that Naval and Air Force units to be despatched to that theatre would be constituted on a voluntary basis, and that the Army contingent would be made up of volunteers, plus short service G.S.[N] personnel; no difficulty was anticipated in obtaining the numbers of personnel required for any of the three Services.

[N]General Service.

The Prime Minister had also mentioned the matter of prior consultation with U.K. and U.S. authorities regarding certain features of the announcement.

A draft of the proposed statement was submitted for consideration.

(Memorandum, Military Secretary, March 21, 1945).†

22. THE WAR COMMITTEE, after discussion, agreed that the Ministers of National Defence consider the draft statement submitted and communicate their suggestions for any revisions therein to the Secretary, with a view to the preparation of a final version to be made by the Prime Minister in the House of Commons in the near future.

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428. DEA/68-Fs

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre

Memorandum from Secretary, Cabinet War Committee, to Prime Minister

TOP SECRET Ottawa, March 27, 1945

You asked me to draft something as the basis for an interim reply to Mr. Churchill to his telegram concerning R.C.A.F. co-operation in the proposal for a combined bomber force to operate from the Philippines.

Pope has discussed the matter with Leckie who says that Breadner now informs him that substantial changes in the overall R.A.F. plan are now under consideration.

Briefly, the R.A.F. are considering a force to consist of a headquarters and two groups (previously, you will remember, they had been planning for three groups) as a self-contained contingent complete with construction units, protection and the rest.

The R.C.A.F. were originally asked to provide approximately one-third of the force, or one group plus. Apparently the R.A.F. now propose that the R.C.A.F. should still provide the one group plus, or approximately one-half of the total force. Breadner is taking the stand that Canada will require to re-examine the whole position and that the matter is one for settlement at the government level.

As you know, Pope has very serious reservations about the whole proposal. Northern Luzon is some 1,600 miles from Tokyo; the assembling of a force and the construction of the airfields will take time, and the sands seem to be running out against Japan with considerable rapidity. In the circumstances, Pope suggests an interim reply to Mr. Churchill along the lines of the draft attached.[182] I have spoken to Robertson and he and I agree, and feel that it

[182] Voir le document suivant.
See following document.

would be well to have something of this nature go forward before a formal proposal is received from the U.K. government.

A. D. P. H[EENEY]

429. DEA/68-Fs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 79 Ottawa, March 27, 1945

PERSONAL AND TOP SECRET. Following for the Prime Minister from the Prime Minister, Begins: Your telegram No. 54 of March 20th.

I understand your strong feeling that it is desirable that the British and Canadian bomber force which is to share in the main operations against Japan should be independent of the United States for the construction of airfields and the provision of other facilities. We have been concerned to ensure that we do not find ourselves involved, on somewhat scanty premises, in a disproportionate commitment. Particularly is this so since the practical utility of certain of the proposals which have been made seems open to question as respects considerations of both time and space.

We have as yet seen no statement of the latest proposals. When they have been received they will be given immediate consideration. Ends.

430. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, April 3, 1945

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PARTICIPATION IN JAPANESE WAR

4. THE PRIME MINISTER, referring to recent discussions in the War Committee, said that it was proposed that he make a general statement upon Canadian participation in the war against Japan at the opening of the debate upon the War Appropriation. The Ministers of National Defence would then explain Service programmes in detail.

As to the general policy it should be borne in mind that the form and extent of Canadian participation could not now be determined finally. Plans required to be worked out in co-operation with U.K. and U.S. authorities without disclosure to the enemy; they could only be definitive after the end of European hostilities. Shipping limitations were another factor which made delay inevitable. As to the Navy, its participation had been pretty well settled, but the Air Force's and the Army's plans were far from complete.

In these circumstances it was not intended to mention numbers or units involved and decisions would have to be taken later on on the basis of need.

Some time ago the Cabinet had been in agreement that there would be no conscription for the Japanese war and that Canadian contingents should be formed from personnel who elected to serve in the Pacific.

5. THE CABINET, after considerable discussion, agreed that the Prime Minister's statement should describe anticipated employment of Canadian forces in general terms only and without reference to numbers involved, and that final decisions would have to be taken by the next Parliament.[8]

It was also agreed that the government would not undertake any commitment, the implementing of which would require conscription. The contingents to be sent to the Pacific would be formed from personnel of the three Services who volunteered especially for such services; it was appreciated that this decision meant that the form and extent of Canadian participation would necessarily remain indefinite for the present.

431. DEA/68-Fs

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre

Memorandum from Secretary, Cabinet War Committee, to Prime Minister

TOP SECRET Ottawa, April 4, 1945

You will recall having replied to Mr. Churchill's request for your co-operation in the matter of making the proposed British and Canadian bomber force for the Pacific fully self-contained, that you were concerned to ensure that we did not find ourselves involved, on somewhat scanty premises, in a disproportionate commitment. You added that particularly was this so since the practical utility of some of the proposals which had been made seemed open to question as respects considerations of both time and space.

The present proposal, so far as we know it here, is that the combined R.A.F.-R.C.A.F. force should establish itself in Northern Luzon, in the Philippines, to the end that it might participate in the bombing of Japan.

It is a commonplace to say that the Pacific is an ocean of vast distances. The distance from Luzon to the most southerly of the main islands constituting Japan (Kyushu) is approximately 1,000 miles. From Luzon to Tokyo measures over 1,500 miles. This latter distance is, I believe, beyond the effective range of our equipment, and consequently it is planned that our aircraft should stop en route to refuel at some intermediate point held by the United States forces.

The United States Air Force is now bombing Japan from Saipan, the distance to Tokyo from which is 1,400 miles. For this purpose they are using

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[8] Pour la déclaration du Premier ministre, voir Canada, Chambre des Communes, *Débats*, 1945, première session, pp.456-8.
For the Prime Minister's statement see Canada, House of Commons, *Debates*, 1945, First Session, pp. 433-5.

their Super-Fortress Aircraft, which have a far greater range of action than anything we are likely to have.

The United States, however, have recently taken Iwo Jima in the Volcano Islands. It is 750 miles from Tokyo. They are now attacking Okinawa, in the Ryukyus, which is still closer to Japan. Unquestionably the bombing of Japan can far more effectively be carried out from these two points than it can from Luzon. Moreover, as the United States also plan to provide themselves with an additional base on the east coast of China, again within reasonable bombing distance of Japan, it is difficult to avoid the thought that the proposed British-Canadian bombing effort from far-off Luzon may perhaps show up rather poorly.

Nor should the element of time be disregarded. The United States are fully up to, or ahead of, their programme, and the general strategic picture of the Pacific is constantly changing. It will be a matter of some months before the combined R.A.F.-R.C.A.F. force can be made ready, and the base, with its airfields, fully established. What the picture will be by then cannot be foretold with assurance. It seems likely, however, that it will not be such as to favour the Luzon proposal.

In addition to all this, the possibility at some future date of Japan being bombed from the Russian Maritime Province should not be lost to view. The distance between Vladivostock and Tokyo is a little over 600 miles.

This very brief examination, I suggest, indicates that before entering on any definite commitment the Government would do well to seek firmer premises than have yet been given, and to require that the practical utility of the proposal be convincingly sustained.

Another thought has occurred to me, I hope not unworthily. As you are aware, we may fairly shortly expect to hear of a British-Australian invasion of North Borneo. This might, in due course, lead to the occupation of Sarawak, which is not very far (500 miles or so) from Singapore. Should we undertake the Luzon commitment, we might later be asked to agree to a change of objective, namely, Singapore, which exercises a powerful attraction on the British mind.

I need hardly say that all this is but a personal view.

I attach a map on which the places named herein have been clearly marked.[†]

MAURICE POPE

432. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

TOP SECRET Ottawa, April 4, 1945

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NAVY; AIRCRAFT CARRIERS; PACIFIC SERVICE

14. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES referred to discussions proceeding with the Admiralty with respect to the two aircraft carriers which U.K. authorities hoped to be able to make available to the Canadian Navy.

It now appeared that the transfer of these vessels could be made in due course. The question arose, therefore, whether Canadian personnel now serving should be posted to these ships to "infiltrate" British crews, or whether, in view of government policy regarding service against Japan, it would be necessary to have them re-volunteer for the Pacific.

15. THE PRIME MINISTER said that government policy in this respect was now settled and no commitments in respect of manning Canadian vessels should be undertaken beyond the number that could be provided for thereunder, that is by volunteers.

16. THE WAR COMMITTEE noted, with approval, the Prime Minister's observations, it being understood that acceptance of the carriers in question would be determined by the numbers of Navy personnel who would be available for service in the Pacific under the voluntary system and that the position would be examined from this viewpoint.

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433. **PCO**

Extrait du procès-verbal du Comité spécial du Cabinet

Extract from Minutes of Special Cabinet Committee

TOP SECRET Ottawa, April 19, 1945

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ARMY; PARTICIPATION IN JAPANESE WAR; ORGANIZATION

3. THE MINISTER OF NATIONAL DEFENCE submitted a copy of a letter proposed to be delivered by the Commander, Canadian Army Staff, Washington, to the U.S. Deputy Chief of Staff, seeking further information regarding certain phases of the operation proposed for Army participation against Japan, and suggesting that Canadian staff officers co-operate with U.S. officers in Washington in working out appropriate plans.

It was proposed that the Canadian force be an armoured division with necessary ancillary troops, a substantial proportion of whom would have had combat experience in Europe. Information was sought with regard to the probable time of operation and training, type of equipment, organization and supply, and similar matters.

This action was within the scope of settled government policy, the Cabinet having approved the employment of an Army contingent involving 30,000 personnel.

An explanatory memorandum had been circulated.

(National Defence memorandum, April 10, 1945, and attached appendices—C.W.C. document 972).*

4. THE COMMITTEE, after discussion, agreed that the action contemplated was consistent with approved government policy and approved despatch of a communication along the lines indicated.

AIR FORCE; PARTICIPATION IN
JAPANESE WAR; U.K. PROPOSALS

5. THE MINISTER OF NATIONAL DEFENCE FOR AIR, referring to the discussion at the War Committee meeting of March 29th, reported that word had now been received from the Air Officer Commanding in Chief, R.C.A.F. Overseas, that the U.K. government would shortly put forward specific proposals for employment of R.C.A.F. squadrons in a British bomber force to operate from Northern Luzon.

These proposals would specify ten very long range bomber squadrons and three very long [range?] transport squadrons—a total of thirteen—and, in addition, aerodrome construction personnel to the number of 10,000—a total, with reserve, of 28,400 men. Added to the eleven squadrons for occupation duty in Europe, they would involve a total Air Force commitment for Phase II of 36,400 personnel.

This would not provide for normal Canadian ancillary units, such as base pay and records office, repair and equipment depots, maintenance groups, or a field hospital.

Air Vice Marshal Johnson's message had indicated that U.K. authorities contemplated that the advance portion of the aerodrome construction units might sail from England on May 1st, or from Canada on May 15th.

The Air Staff had reported that it would not be possible for the R.C.A.F. to provide the trained construction personnel required within the time available.

An explanatory memorandum including an estimate of the financial commitment involved—a total of $322,400,000, capital and maintenance—had been circulated.

(Air Force message C244, R.C.A.F. H.Q. Overseas to H.Q., Ottawa, April 14; memorandum, Minister of National Defence for Air to War Committee, and attached memorandum, April 17, 1945 - C.W.C. document 979).*

6. THE MINISTER OF NATIONAL DEFENCE said that the Army were not in a position to supply troops for aerodrome construction purposes in the Far East.

7. THE COMMITTEE, after discussion, agreed:

(a) that proposals of the character described in Air Vice Marshal Johnson's message should not be entertained by the government until full and satisfactory information had been provided by the strategic authorities establishing the practical utility of the operations contemplated, particularly in relation to considerations of time and space;

(b) that no sufficient reason had been advanced for considering an increase in the agreed commitment for Air Force participation in the Pacific war;

(c) that, in any event, Canadian aerodrome construction units could not be supplied; and

(d) that Air Vice Marshal Johnson be directed to communicate these views to U.K. authorities, pointing out that more detailed information would be required concerning the nature of the operations contemplated and their military utility in relation to the general strategic plan for the defeat of Japan, before any decision could be reached by the government on the subject of Canadian participation.

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434. DEA/6309-40

Mémorandum du ministère de la Défense nationale au Comité spécial du Cabinet

Memorandum from Department of National Defence to Special Cabinet Committee

HQS 3488-3 FD 9 Ottawa, May 15, 1945

SECRET

RE: ENLISTMENT IN ARMY OF CANADIAN-BORN JAPANESE AND LOAN TO AUSTRALIA, WAR OFFICE OR TO U.S. WAR DEPARTMENT

1. Purpose

(a) To increase to a maximum of 250 the existing authority to enlist in the Canadian Army, Canadian-born citizens of Japanese racial origin (Nisei).

(b) To loan such personnel, when enlisted, to the Australian Military Authorities, to the War Office or to the U.S. War Department, as the necessity may arise.

(c) The existing authority to enlist 100 Canadian-born Japanese for subsequent loan for special duty was granted by the War Committee of the Cabinet on 17 January, 1945. Against this authority a total of 88 have been enlisted to date and either assigned to service or are undergoing training.

2. Considerations

(a) Canadian-born Japanese form a potential pool of considerable value for use as interpreters and translators and in other spheres of operational activity.

(b) To date, urgent requests for the services of upwards of 420 Canadian-born men of Japanese origin (Nisei) have been received from the Australian Government and from the War Office. In addition, Canadian requirements with the Pacific Force are estimated to be 20.

(c) The existing authority for the enlistment of 100 does not permit an adequate contribution to existing requirements. On the other hand, it is not considered that there are sufficient Canadian-born men of Japanese origin suitable to meet the total requirement. It is considered, however, that a total of 250 could be obtained.

(d) The Australian Government reports great difficulty in securing personnel capable of reading and speaking Japanese. Information of vital operational importance is to be obtained from the interrogation of Japanese prisoners and inspection of captured Japanese documents.

(e) While the Australian Government has suggested enlistment in the Australian Military Forces, it has been considered more appropriate to enlist this personnel in the Canadian Army and subsequently place them on loan.

3. Costs

(a) Canada to pay all costs of training and outward transportation. After arrival at destination, borrower to pay all costs except pay and allowances which would continue to be borne by Canada. Borrower to pay return transportation.

(b) The estimated cost to Canada on a maximum basis for nine months 1945-46 is $164,730 of which $31,100 is non-recurring. Funds are available in Army estimates.

4. Proposal has been

(a) Recommended by Minister of National Defence.

(b) Recommended by Chief of the General Staff.

(c) Reviewed as to financial aspects and concurred in by Deputy Minister (Army).[184]

435. **PCO**

Extrait du procès-verbal du Comité spécial du Cabinet

Extract from Minutes of Special Cabinet Committee

TOP SECRET Ottawa, May 16, 1945

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ARMED FORCES; DEMOBILIZATION; PARTICIPATION IN JAPANESE WAR

4. THE MINISTER OF MUNITIONS AND SUPPLY, observing that labour demands in Canada were, at present, higher than at any time during the war, re-emphasized the necessity for prompt action in demobilizing personnel from the three services if essential reconversion needs were to be met.

On May 1st the Cabinet had agreed that, immediately following V-E Day, the Services should proceed with the acceleration of demobilization to the maximum capacity.

5. THE ADJUTANT GENERAL reported that, during the week ended May 12th, a total of 789 men had been discharged from the Army. Existing

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[184] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Submission by Min[ister of] Nat[ional] Def[ence] as above approved by Cabinet June 19th, 1945. K. E. D. HALLIDAY June 22, 1945.

instructions concerning discharge were being consolidated, with a view to enlarging groups eligible for discharge.

Army demobilization at the maximum rate could not proceed without serious results until more definite information were available to personnel as to the character and size of the Pacific force. This was most important in relation to recruiting.

(Memorandum, Adjutant General to the Minister, May 16, 1945).[†]

6. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES reported that 605 persons had been discharged from the Navy during April and that this rate had persisted since V-E Day. Instructions, however, had been issued that approximately 2,600 ratings, with high release priority and not volunteers for the Pacific, should be discharged as soon as the necessity for continued Atlantic escort work had been removed.

(Memorandum, Acting Chief of Naval Personnel to Minister, May 16, 1945).[†]

7. MR. ABBOTT pointed out that lack of specific information as to the government's intentions with respect to participation by the three Services in the Pacific was jeopardizing the recruiting of volunteers for that theatre. In consequence demobilization was also being delayed.

It was essential that, at the earliest possible moment, a statement be issued giving such details as might be consistent with security regarding the size and nature of Canadian Pacific forces including terms of service and special arrangements for pay and leave, and the location and timing of training.

8. THE MINISTER OF NATIONAL DEFENCE FOR AIR reported that, since November, 1944, 33,097 Service personnel had been discharged from the Air Force. Of these, 1,784 had been discharged in the week ended May 4th. At present discharges were continuing at approximately the same rate.

Lack of precise information as to the nature of R.C.A.F. participation in the Pacific war remained an obstacle to accelerated demobilization.

(National Defence for Air memorandum, May 15, 1945).[†]

9. THE COMMITTEE, after further considerable discussion, agreed that it was of the utmost importance and urgency that a statement be issued forthwith as to the nature and extent of participation in the Pacific war by the three Services, and directed the Secretary, in consultation with the Ministers of National Defence and appropriate Service officials, to prepare a draft statement for submission to the Cabinet the following day and, upon approval, for immediate communication to the Prime Minister with a view to its release at the earliest possible moment.

R.C.A.F.; FORM AND EXTENT OF
PARTICIPATION IN JAPANESE WAR

10. THE MINISTER OF NATIONAL DEFENCE FOR AIR, referring to the discussion at a meeting of a special Cabinet Committee on April 19th, reported that the situation with respect to R.A.F. employment in the Pacific was still

nebulous; it had proved impossible to procure any definite plan from the U.K. government.

Further tentative proposals were under consideration by the Air Officer Commanding in Chief, R.C.A.F. Overseas, in consultation with the U.K. Air Ministry, and would be submitted at the earliest possible date.

(R.C.A.F. message, A.O.C. in C., Overseas to C.A.S., May 14, 1945).[1]

11. THE COMMITTEE, after discussion, noted the Minister's report.

ARMY; PARTICIPATION IN WAR AGAINST JAPAN

12. THE SECRETARY referred to previous discussions at a meeting of a special Cabinet Committee on April 19th.

The Chief of the General Staff, as a result of recent discussions with the U.S. War Department, now proposed that, as a basis for further planning, the Canadian force should:

(a) consist of an Infantry division, possibly reinforced with armour, with a proportion of service and supporting troops;

(b) be employed as a follow-up unit in the main operation;

(c) use United States Army equipment and maintenance, except for uniforms;

(d) be reorganized along United States Army lines (unless further examination indicates such action will delay employment);

(e) be trained in the United States under the overall supervision of the United States Army Ground Forces;

(f) be supplied as a normal United States Army division and based in accordance with operational plans; and

(g) be returned to North America after cessation of hostilities in a priority consistent with that applied to other forces engaged in the Pacific war.

If United States approval was secured for the above proposals detailed planning would then proceed at the Staff level. The U.S. Joint Chiefs of Staff regarded this as a matter of some urgency, and government approval was now sought subject to the concurrence of the Minister of National Defence.

(Army summary to the Special Committee of the Cabinet, May 16, 1945).[1]

13. THE CHIEF OF THE GENERAL STAFF explained that the inclusion of an armoured regiment in the field force would give representation to the Armoured Corps and would permit of Canadian armoured support to Canadian infantry formations.

Under the schedule proposed by the United States, personnel for this force would sail from Europe about July 1st and would concentrate for specialized training in the Western United States about September 1st. They would be ready for operational employment by about March 1st of next year.

14. THE DEPUTY MINISTER OF FINANCE enquired as to the estimated financial implications of the proposals—particularly with respect to the use of U.S. equipment and the overall requirement by the Services for U.S. funds.

15. THE COMMITTEE, after further discussion, noted that the proposals submitted by the Chief of the General Staff, were within the scope of approved government policy for Army participation, with respect to manpower, and agreed that an estimate of the financial implications relating to the use of U.S. equipment be submitted to the Cabinet for consideration.

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436. **PCO**

Conclusions du Cabinet

Cabinet Conclusions

TOP SECRET Ottawa, May 17, 1945

A meeting of the Cabinet was held in the Privy Council Chamber on Thursday, May 17th, 1945, at 3 p.m.

The Minister of Munitions and Supply and Minister of Reconstruction (Mr. Howe) in the Chair.

ARMED FORCES; PARTICIPATION IN JAPANESE WAR; PUBLIC STATEMENT

1. THE SECRETARY reported that at a meeting held the previous day, May 16th, a special Cabinet committee convened by the Minister of Munitions and Supply and including the Acting Minister of National Defence, with military advisers in attendance, had come to the conclusion that it was of the utmost importance and urgency that a statement be issued forthwith as to the nature and extent of participation in the Pacific war of the three Services.

A draft statement, prepared following the special Cabinet committee's meeting, in consultation with the Ministers of National Defence, was submitted.

(Draft statement re participation by Canadian forces in Japanese war, May 17th, 1945.)†

2. THE CABINET, after discussion, approved the draft statement submitted, for release at the soonest possible moment, and directed the Secretary to proceed immediately to obtain the concurrence therein of the Prime Minister and the Minister of National Defence.[185]

ARMY; PARTICIPATION IN JAPANESE WAR; ARMOURED ELEMENT

3. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES, as Acting Minister of National Defence reported that at the meeting of the special Cabinet Committee held the previous day, Army proposals for the inclusion of

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[185] La note suivante était écrite sur l'original:
The following note was written on the original:
The draft statement was approved by the Prime Minister in Edmonton, Alta., on the following day, Friday, May 18th and with a minor addition requested by the Minister of National Defence, was issued to the press at Edmonton at 6 p.m., on that day.

an armoured element in the Pacific force had been discussed. The committee had noted that this proposal was within the scope of approved government policy for Army participation with respect to manpower, and had agreed that an estimate of the financial implications of the Army's Pacific programme be submitted to the Cabinet for consideration.

4. MR. ABBOTT said that the armoured element proposed would consist of a tank battalion which would require a total of 720 personnel all ranks at an estimated cost of $4,600,000. This would not involve exceeding the total number of 30,000 men which had been the figure approved by the Cabinet for the Army Force.

A statement was submitted showing the estimated total cost for the Army Force from September 1st, 1945 to March 31st, 1946, covering initial equipment and training, despatch to the United States, embarkation leave and despatch overseas, at $70,205,620, of which $61,951,620 (Canadian) would be payable in U.S. funds.

These proposals were acceptable to the Department of Finance.

(Memorandum to the Minister from the C.G.S., May 17, 1945.)[†]

5. THE CABINET, after discussion, approved in principle the proposals submitted by the Minister with respect to the composition and financial implications of Army participation in the war against Japan.

A. D. P. HEENEY
Secretary

437. DEA/68-Fs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 134 London, June 16, 1945

TOP SECRET AND PERSONAL. Following from the Prime Minister for the Prime Minister, Begins: Your telegram No. 79 of March 27th, 1945.[†]

1. I have thought it well to await the outcome of discussions between British and United States Chiefs of Staff on participation of British Commonwealth forces in strategic bombing of Japan before I communicated with you again on this matter.

2. Rapid development of United States operations in Pacific has changed American plans for deployment of their forces and it was not until 30th May that we received an authoritative proposal from the United States Chiefs of Staff. My immediately following telegram contains a note by the Staffs on this proposal.

3. Since deployment of our force depends on taking our full share of the constructional work, we have to find some 15,000 constructional troops and despatch them in the early drafts.

4. You will recognize the difficulty we have in meeting this requirement in view of commitments in other theatres and the urgent call for repair of war

damage in this country. We expect to find 12,500 towards this total and I ask that you will find the remainder, i.e., 2,500 or more if that is possible to sail from Canada not later than 30th September. The more you can find the less this V.L.R.[196] requirement will detract from important operations elsewhere.

5. I am most anxious to know that this general proposition has your approval. I remain convinced that it is of future importance to us all that a British Commonwealth force should participate in the strategic bombing of Japan.

6. I am reluctant to press you at this moment for a very early reply, but owing to delays in fixing this scheme with the Americans little time is left for plans and preparations. Ends.

438. DEA/68-Fs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 135 London, June 16, 1945

TOP SECRET AND PERSONAL. Following from the Prime Minister for the Prime Minister. Begins: My immediately preceding telegram. Following is note by the Staffs on American proposal. Begins:

1. The Americans propose that a British force of the order of ten squadrons should be based in the Ryukyus. They say that under present conditions they are unable at present to formulate plans for the British force of 20 squadrons, but should later developments warrant they would welcome the employment in the Pacific of the remaining ten squadrons.

2. Staff conversations in Washington amplify this proposal as follows.

The ten squadron force is to be based in Okinawa and is to share a base area with American strategic bombers. The Americans will be responsible for operating the ports and for defence of the base area. The British to be responsible for the logistic support of their force and for meeting their share of the construction of airfields and installations.

3. We view this proposal with much greater favour than any hitherto projected. It provides us with a base within close striking distance of Japan and relieves us of the costly undertaking of developing a base area and port with British resources alone. We are, nevertheless, given to understand that the offer of an air base in Okinawa is conditional on our providing our full share of constructional troops, which is key factor in American deployment, and that at least 15,000 would be expected.

4. Since delay would have risked the withdrawal of this offer, we have deemed it advisable to accept in principle and Staff discussions in Washington are to commence in immediate future to determine plans for the reception, deployment and support of the force.

[196] Very Long Range.

5. Detailed planning on this new basis is proceeding here and Canadian Staffs in London are being kept fully informed.

6. Plans at present contemplate that this ten squadron force should comprise two Canadian, one Australian, one New Zealand and six R.A.F. squadrons. We also count on three Canadian transport squadrons to contribute to the support of the force over the air routes from United Kingdom and Canada. It is hoped that first squadrons will be operating in Pacific by December.

7. Larger Canadian share in striking element of this force is unlikely to be practicable owing to time factor, but it is hoped that another six Canadian heavy bomber squadrons will be made available for the second contingent of 10 squadrons if and when this is approved. Ends.

439. DEA/68-Fs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 151 Ottawa, June 19, 1945

TOP SECRET AND PERSONAL. Following from the Prime Minister for the Prime Minister, Begins:

1. Before I received your personal telegrams Nos. 134 and 135 of June 16th, concerning participation of Commonwealth forces in the strategic bombing of Japan, my colleagues and I had already given consideration to the proposal of the United States Chiefs of Staff on the basis of preliminary information communicated to R.C.A.F. Headquarters in London by your Chiefs of Staff.

2. The latest proposal appears to us to be much more realistic and satisfactory than previous suggestions with respect to which, as I indicated to you in my personal telegram No. 79 of March 27th, we had had serious misgivings.

3. The government have, therefore, approved the employment of two R.C.A.F. VLR bomber squadrons and three transport squadrons with the forces to be based in the Ryukyus, on the basis of the note by the United Kingdom Staffs as set out in your telegram No. 135, and our Air Staff have been instructed to plan accordingly.

4. The extent to which we may be able to assist with respect to construction personnel is, at present, being actively explored. For the moment, however, we are unable to commit ourselves definitely to any specific number, since it is not known how many men in this category can be made available. We will communicate with you on this subject as soon as the position in this respect is clearer.

5. As to any Canadian participation in a possible second contingent of ten squadrons, it is of course understood that we can make no commitment at this time. Should such a proposal be forthcoming, at a later date, it would have to be considered in the light of all relevant circumstances and in relation to other Canadian commitments in the Pacific and elsewhere. Ends.

440. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET Ottawa, June 28, 1945

...

AIR FORCE PARTICIPATION IN JAPANESE WAR

4. THE MINISTER OF NATIONAL DEFENCE FOR AIR referred to the recent exchange of telegrams between the Prime Minister and Mr. Churchill with respect to the employment of R.C.A.F. squadrons with the British force to operate from the Ryukyus.

It was evident from a subsequent message† received by the Chief of the Air Staff from Sir Charles Portal that definite plans were proceeding for a second echelon of ten squadrons to follow the first contingent in which it had been agreed that two Canadian bomber squadrons would participate. The Air Staffs had been planning on the basis that the R.C.A.F. would provide six of the ten VLR squadrons which would make up the second echelon and the return of R.C.A.F. personnel to Canada and the extension of O.T.U. facilities was being planned accordingly.

5. MR. GIBSON said that, in the circumstances, a definite Cabinet decision was required at an early date as to whether the R.C.A.F. would provide squadrons for this second contingent or whether Canadian participation would be limited to the force approved by the Cabinet at the meeting of June 20th. The training and demobilization programmes of the Air Force would depend upon the decision taken in this respect.

6. THE PRIME MINISTER observed that the maximum extent of R.C.A.F. participation during Stage II had been fixed by the Cabinet, in terms of manpower, at 23,000 and that this included the squadrons to be employed in European occupation as well as those to be employed in the Far East.

Within this limitation, a complete statement should be prepared and submitted to the Cabinet, setting out in terms of squadrons, manpower and finance the programme recommended by the Minister for operations in Europe and in the Pacific. The Cabinet would then take the responsibility of deciding and the Air Staff could proceed accordingly.

7. THE CABINET, after further discussion, agreed that the Minister have prepared for consideration at an early meeting a statement of recommended proposals for the employment of the R.C.A.F. during Stage II in the European and Pacific theatres.

It was also agreed that, pending further decision by the Cabinet, Air Staff planning be confined to arrangements for forces, the employment of which had already been approved.

...

441. PCO

Conclusions du Cabinet

Cabinet Conclusions

TOP SECRET Ottawa, July 11, 1945

A meeting of the Cabinet was held in the Privy Council Chamber on Wednesday, July 11th, 1945, at 4.30 p.m.

The Minister of Finance (Mr. Ilsley) in the Chair.

R.C.A.F. PARTICIPATION IN THE WAR AGAINST JAPAN

1. THE MINISTER OF NATIONAL DEFENCE FOR AIR, referring to the discussion at the meeting of June 28th, submitted a statement on R.C.A.F. participation in the war against Japan.

A request had been received from the United Kingdom for provision of six heavy bomber squadrons to form part of a second echelon of ten squadrons to follow the first echelon, in which two Canadian bomber squadrons (together with three R.C.A.F. transport squadrons) would participate in accordance with the decision of the Cabinet on June 4th. This would make a total of eight R.C.A.F. bomber squadrons and three transport squadrons in the Pacific, together with nine occupational squadrons in Europe. The twenty squadrons would be provided within the authorized ceiling of 23,000 men.

The total non-recurring costs for the Pacific would be $143.5 millions, together with $192.1 millions recurring, of which $134.1 millions non-recurring and $141.8 millions recurring would be repayable to the United Kingdom. The European occupation force would cost $42 million annually, of which $34.5 millions would be payable in the United Kingdom, together with non-recurring cost of $5 millions repayable in the United Kingdom.

Copies of this statement, together with an explanatory note, had been circulated.

(Secretary's memorandum, July 10, 1945,† and attached document—Cabinet document No. 10.)

2. MR. GIBSON pointed out that eleven Canadian squadrons in the Pacific would not be excessive in proportion to the part to be played by the United Kingdom, New Zealand and Australia, particularly in the South Pacific and Burma areas. Meanwhile, delay of decision in Canada was raising criticism in the United States and was impeding the completion of U.K. plans. It was quite clear that the U.K. authorities had been counting on the proposed assistance and had made their plans accordingly. The Canadian government, in fact, should be considered committed to this support.

3. THE MINISTER OF PUBLIC WORKS pointed out that the plans submitted by the R.C.A.F. did not include reinforcements, which might, in due course, bring the figure above 23,000, and suggested the desirability of reducing the number

of squadrons in order to allow adequate margin for reinforcements within the ceiling.

The telegram forwarded by the Prime Minister to Mr. Churchill on June 19th was a clear evidence of the fact that the government was not, at that time, committed to the extent of participation now recommended by the R.C.A.F.

4. THE SECRETARY OF STATE pointed out that the War Committee's decision of February 28th, 1945, in establishing the figure of 23,000 for R.C.A.F. activities overseas during Stage II, had set this figure as a ceiling which was not to be exceeded, but had not authorized commitments up to this figure. Accordingly, it might be argued that any impression in the United Kingdom that Canada was committed to a given degree must be based upon direct communications with the Department of National Defence for Air.

It might also be argued that the government was not sending personnel to the Pacific in order to win the war against Japan since we were not required for this purpose, but merely to maintain national prestige.

5. THE MINISTER OF MUNITIONS AND SUPPLY expressed the opinion that the proposed R.C.A.F. participation in the Pacific did not, when taken by itself, seem unreasonable, but when considered in relation to the existing size of the R.C.A.F. in Canada and overseas and the slow rate of R.C.A.F. demobilization, the proposal took on more serious aspects.

Any approval of further R.C.A.F. participation in the Pacific should be made conditional upon substantial and immediate reductions in the size of the R.C.A.F.

6. MR. GIBSON reported that the present strength of the R.C.A.F. was about 160,000 of which some 100,000 were in Canada. Demobilization was, at present, taking place at between 4,000 and 5,000 a month. Air Staff officials had stated that it was difficult to increase this rate in view of present commitments.

7. THE MINISTER OF FINANCE expressed willingness to approve the R.C.A.F. proposed participation in the Pacific, but supported the case for immediate and substantial demobilization by the R.C.A.F.

8. THE MINISTER OF NATIONAL DEFENCE pointed out that, in earlier discussions, it had been suggested tentatively that 2 1/2 men were required in Canada for every man overseas during Stage II and that, on this basis, a total R.C.A.F. personnel of 80,000 would be required in Canada and overseas, leaving 80,000 available for demobilization.

If the Minister of National Defence for Air could report further upon the total numbers required in Stage II, it would clarify the situation as regards R.C.A.F. participation in the Pacific.

9. THE CABINET, after considerable further discussion, requested the Minister of National Defence for Air to report at the next meeting on the total number of R.C.A.F. personnel required in Canada and overseas during the war against Japan, and expressed the general opinion, although not unanimously, that, subject to this figure being satisfactory, it would be prepared to approve the participation of six additional R.C.A.F. bomber squadrons in the Pacific, as

recommended by the Minister of National Defence for Air, and the consequential reduction of R.C.A.F. European occupation squadrons from eleven to nine.

J. R. BALDWIN
Acting Secretary

442. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, July 12, 1945

...

R.C.A.F.; PARTICIPATION IN THE WAR AGAINST JAPAN

5. THE MINISTER OF NATIONAL DEFENCE FOR AIR, referring to the discussion at the meeting of July 11th, presented a report on proposed reduction of the R.C.A.F.

Total R.C.A.F. strength on January 31st, 1944, had been 232,600. This had been reduced to 178,600 by June 1st, 1945, of whom 61,600 were overseas and 117,000 in Canada. Of the personnel overseas, 30,600 would be available for demobilization; the balance would be required for overseas commitments during Stage II and supporting service in Canada.

Reduction in Western Hemisphere operations, training and essential services would release, by March, 1946, a total of 48,400 for demobilization of the 117,000 presently in Canada. This would make a total of some 79,000 persons available for demobilization by March, 1946, leaving the total strength of the R.C.A.F. after that time at about 99,600.

(National Defence for Air memorandum, undated.)†

6. THE CABINET, after discussion, agreed:

(a) that the participation of six additional R.C.A.F. bomber squadrons in the Pacific theatre and the reduction of R.C.A.F. occupational squadrons in Europe from eleven to nine, as recommended by the Minister of National Defence for Air, be authorized, it being understood that overseas commitments would remain within the approved ceiling of 23,000; and

(b) that the Minister of National Defence for Air be directed to initiate demobilization from the R.C.A.F. at the rate of 10,000 persons per month, as of August 1st, 1945; this rate to be maintained until March 31st, 1946.

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443. DND/Vol. 2641

Mémorandum du directeur, renseignements militaires, au sous-chef de l'état-major général

Memorandum from Director of Military Intelligence to Vice-Chief of the General Staff

SECRET Ottawa, August 10, 1945

RECRUITMENT OF CANADIAN NISEI

1. Reference our conversation of today, this memorandum records the situation at present with regard to the enlistment of Canadian Nisei.

2. Of the 250 which we were authorized to enlist on the two authorities issued—one for 100 and the second for 150—we have been able to recruit only 125 in all. The disposition of these is:

At S-20 Japanese Language School	52
To S.E.A.C.[187] (For MO I (SP)[188])	35
To Australia	3
At B.T.C.s[189] and in Depots	35
Total	125

3. Requests for the services of Canadian Nisei are:

Canada (For M.I.I.T.I.[190] of CAPF[191]) (includes 30% replacements)	19
Australia (includes 3 already sent)	200
S.E.A.C. (includes 35 already sent)	200
War Office	186
U.S. War Dept. (Pacmirs[192])	20
Total	625

4. There is a paper deficiency between demands (625) and authorized supply (250) of 375. But this deficit will be greater because it is now believed that we will not be able to recruit the entire 250.

5. Nisei response in the West, where we had hoped to get most of the recruits, has been unexpectedly poor. This is attributed to two things:

(a) Lack of publicity. The Nisei resent their secret recuitment, asserting that this confirms them in their doubts of the Government's good faith towards them, and indicates, they say, that their services are not appreciated; and

(b) The activities of the "Loyalty Commission." The R.C.M.P. have been interviewing the Nisei to ascertain who among them wishes to return to Japan after the war. A very large number have declared themselves in the affirmative. This has had a very detrimental effect on recruiting.

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[187] South East Asia Command.
[188] Military Operations and Intelligence (South Pacific).
[189] Basic Training Centre.
[190] Military Intelligence Interrogation—Translator—Interpreter Team.
[191] Canadian Army Pacific Force.
[192] Pacific Military Intelligence Research Section.

6. The educational standards of the Canadian Nisei are low. Mostly they are truck-gardeners, fishermen or labourers. Few read or write Japanese. Only a percentage speak the language, and of this group the vast majority possess only a smattering.

7. We will be unable to meet even 30 per cent of the demands. In view of this, and of the changed aspect of the Pacific War, I suggest that the Under-Secretary of State for External Affairs be advised of the foregoing facts so that he can clarify the situation for Australia, and that the War Office be advised that, in view of the indifferent response, we are at present unable to meet any of their requirements, undertaking to review the situation later, should the Pacific War continue.[191]

444. DEA/68-Fs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1595 London, August 31, 1945

SECRET. In view of Japanese surrender and resulting cancellation of plan for British Commonwealth Strategic Bomber Force to take part in bombing of Japan, it is proposed that any detail consequential arrangements required should be taken up through Service channels.

445. DND/Vol. 2923

Le président, la mission canadienne conjointe des états-major, Washington, au chef de l'état-major général

Chairman, Canadian Joint Staff Mission, Washington, to Chief of the General Staff

TELEGRAM 2159 Washington, August 31, 1945

IMMEDIATE. SECRET. Foulkes from Letson. Reference para[graph] 2 your CGS 424 dated 30th August.' Following despatched today. Quote: My dear Admiral Leahy. In your letter dated 21 December, 1944, concerning Canadian Army participation in the war against Japan, you advised that the Joint Chiefs of Staff accepted the proposal that a Canadian Army Force of one division with such ancillary troops as might be required should participate in the war against Japan under the higher command of the United States forces. Accordingly, planning and executive action were undertaken immediately both by the War Department and the Department of National Defence. The force has now been assembled in Canada and in fact advanced cadres are undergoing

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[191]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
D[irector] of M[ilitary] I[ntelligence]
Noted. B[ring] F[orward] when present discussions regarding termination of hostilities with Japan have reached finality. R. B. GIBSON Major-General for C.G.S.

instruction in the U.S.A. When it became evident that victory over Japan was imminent and after consultation with the War Department (O.P.D.),[194] movement of further Canadian troops was suspended until such time as the situation became clarified. I have now been instructed to inform the U.S. Joint Chiefs of Staff that upon the execution of the terms of surrender by Japan, it is proposed to disband the Canadian Army Pacific Force. It is desired at this time on behalf of the Canadian Army to convey to the U.S. War Department the thanks and appreciation of the Canadian Army for the cordial and ever ready cooperation which was received on every hand and at every level. We are at one with you in giving thanks that victory has been achieved but our thoughts are tinged with regret that circumstances have precluded us from serving side by side with the U.S. Army in fighting against our common enemy in the Pacific. Yours very sincerely. Unquote.

446. DEA/6309-40

Le haut commissaire en Australie au secrétaire d'État par intérim aux Affaires extérieures

High Commissioner in Australia to Acting Secretary of State for External Affairs

TELEGRAM 458 Canberra, October 2, 1945

SECRET. My telegram No. 342 of July 10th,† Canadian Nisei for Australian Army.

Colonel Turnbull discussed this matter with Mr. Glazebrook and Colonel Murray, D.M.I., when he was in Ottawa and was informed that there were only 20 Nisei with proper qualifications in all Canada and that of this number Canada required 18 for purposes of Canadian Pacific Force. Are these now required by Canadian Army?

Australian Army now advises that their requirements for Nisei are more urgent than ever. It seems impossible for Canada to meet their complete requirements, but 20 would be of great help. Even a smaller number would be welcomed. What can be done to carry the long outstanding Australian request?

I would like this matter to be settled definitely as soon as possible as it is next on agenda of War Cabinet here.

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[194] Operations Division.

447. DEA/6309-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Australie

Acting Secretary of State for External Affairs to High Commissioner in Australia

TELEGRAM 445 Ottawa, October 25, 1945

Your telegram No. 458 of October 2nd, Canadian Nisei for Australian Army.

This question has been fully examined by Minister of National Defence who informs us that it is feared that due to a variety of conditions it will not be possible to meet the Australian request.

For your own information the number that was suitable for recruitment was only half the authorized total. Some for various reasons were returned to civilian life after V-J Day and the remainder are already committed to Canadian and other duties.

You should inform Australian authorities that every effort has been made to supply personnel to them and it was only unexpected difficulties that have prevented us from doing so.

PARTIE 5/PART 5

APPROVISIONNEMENTS DE GUERRE ET FINANCES
WAR SUPPLIES AND FINANCE

SECTION A

AUSTRALIE/AUSTRALIA

448. DEA/4929-D-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Australie

Secretary of State for External Affairs to High Commissioner in Australia

TELEGRAM 3 Ottawa, January 5, 1944

IMPORTANT. SECRET. Your telegrams No. 316[195] and 317† of December 18th. Mutual Aid Agreement.

1. You have doubtless received text of Australian refusal to accept Article X of proposed Agreement which was communicated by Glasgow[196] on December

[195] Voir le volume 9, document 381.
See Volume 9, Document 381.

[196] Haut commissaire d'Australie.
High Commissioner of Australia.

23rd.[197] Will you please deliver personally to Mr. Curtin as soon as possible the message from the Prime Minister given in my immediately following telegram?

2. For your general guidance in your discussion with Mr. Curtin our feeling is that the Australian Government has adopted an indefensible position which they will in any case probably be unable to maintain in other connections. If they intend to pursue a course of extreme economic nationalism their commercial relations with Canada will in any event be impaired. We might as well face the issue now when very substantial benefits to Australia amounting perhaps to $75,000,000 or $100,000,000 under the Mutual Aid programme are involved.

3. We have framed our financial policy on the premise that the accumulation of war debts was undesirable and we have, therefore, furnished a great quantity of war supplies to other United Nations at the expense of the Canadian treasury. We are not seeking to drive any bargain with Australia; we are only supporting policies under which fair trading is possible and bargaining between governments reduced to a minimum. We consider that pursuit of a reasonably liberal international commercial policy after the war is a logical consequence of the wartime methods of furnishing supplies adopted by the United States, Canada and the United Kingdom, which have been deliberately designed to encourage liberal trade policies after the war.

4. The reference to publicity in the message to Mr. Curtin is not intended as a threat. The Mutual Aid procedure will be discussed at length during the next session and the Government will have to explain why no agreement has been concluded with Australia. Such an explanation may well provoke unwelcome discussion of Australian policy here and in other countries, but we do not see how it can be avoided. Public knowledge of the Australian action would be sure to arouse doubts in other countries about the intentions of the Government of Australia, and might well impede progress in developing not only beneficial international commercial relations but also joint action in other matters.

449. DEA/4929-D-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Australie

Secretary of State for External Affairs to High Commissioner in Australia

TELEGRAM 4 Ottawa, January 5, 1944

IMPORTANT. SECRET. My immediately preceding telegram. Following is message from Prime Minister for Mr. Curtin, Begins:

Your High Commissioner in Ottawa has informed me that the Australian Cabinet is unable to accept the proposed Article X of the Mutual Aid Agreement between our two countries. I greatly regret this decision and hope

[197]Voir le volume 9, document 383 et la pièce jointe 3 du document 384.
See Volume 9, Document 383 and enclosure 3 of Document 384.

that you will find it possible to reconsider the position. We have considered the suggestion that there might be substituted for this Article a reference in the preamble to the fact that Australia and Canada have accepted in principle the general objectives set forth in the Atlantic Charter[198] and in Article Seven of the Master Lend-Lease Agreement.[199] We feel, however, that we cannot agree to this alternative, as the question appears to us of greater importance than would be implied by a mere general reference of this character.

It seems to us logical and, indeed, essential, that the Mutual Aid Agreements should contain a re-affirmation of the main points of the general international economic policy which we are all pledged to pursue after the war by our acceptance of the Atlantic Charter and by the formal undertakings into which we have entered with the Government of the United States.[200] Our Mutual Aid policy and Act were deliberately formulated to fit into post-war economic international relations of this character and to make them more workable by eliminating the accumulation of large war debts among the United Nations. The Canadian Parliament and the Canadian people have accepted the heavy financial burdens of Mutual Aid with this expectation in view.

It is for this reason that we believe it essential that all our Mutual Aid Agreements should contain an assurance that the nations receiving this assistance also look forward to international economic relations of this character. We had naturally believed that Australia and the other countries participating in Mutual Aid subscribed to the principles in question, because they had so declared in their agreements with the United States. If, under these circumstances, the Government of Australia should not find it possible to reconsider their decision not to re-affirm their support of these principles, we would be obliged to consider that the Government of Australia is out of sympathy with the general philosophy behind the Mutual Aid policy and therefore that its requirements from Canada would have to be obtained on some other basis.

We have, of course, no desire or intention that the flow of essential war supplies to Australia from Canada should be interrupted. If, however, your Government is not ready to sign the Agreement, we consider that we must make new arrangements for the financing of these supplies. The only alternative appears to be that we should provide essential supplies under a credit to be repaid within an appropriate period after the war.

Under any such arrangement it would be necessary, as you will realize, to make a public explanation of the reasons which have prevented us from fulfilling our intention of providing essential supplies to Australia out of the Mutual Aid vote without cost to the Australian Government. Ends.

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[198] Voir le volume 7, document 327.
See Volume 7, Document 327.

[199] Voir États-Unis, *Department of State Bulletin*, vol. 6, 28 février 1942, pp. 190-2.
See United States, *Department of State Bulletin*, Vol. 6, February 28, 1942, pp. 190-2.

[200] Voir Canada, *Recueil des traités*, 1942, N° 17.
See Canada, *Treaty Series*, 1942, No. 17.

450. DEA/4929-D-40

Le haut commissaire en Australie au secrétaire d'État aux Affaires extérieures

High Commissioner in Australia to Secretary of State for External Affairs

TELEGRAM 33 Canberra, January 31, 1944

My telegram No. 32 of January 30th.†

1. I saw the Prime Minister as indicated in previous telegram and was told that matter in issue had been further discussed and he asked me to see Evatt.

2. I had no discussion with Prime Minister on merits of dispute nor any suggestion by him as to any counter proposals, as he evidently wanted discussion to be conducted by Evatt.

3. He did ask me to convey to our Prime Minister his opinion that letter which I delivered to him from Mr. King was much too strongly worded and contained comments which should not in his opinion have been made thereto.

4. I did not discuss this with him as I felt that it was wiser for me to get from Evatt details of their objections.

5. I saw Evatt same afternoon and his first comment was that they did not like tone of letter to Prime Minister. I got out the letter and we read it and I asked him to tell me what was objectionable in it, and was told that they took exception to inference set out in last sentence, third last paragraph, wherein it was assumed that refusal to agree to Article 10 meant lack of sympathy with general philosophy behind Mutual Aid.

6. I believe what really hurt them was being definitely put on the spot by the letter. I would not follow this up further as Evatt had his say and then set it aside.

7. Evatt was most friendly, conciliatory and agreeable and quite different from his usual attitude.

8. He stated that they had attempted to reach solution through Glasgow but had failed and he asked that negotiations hereafter be conducted here.

9. He suggested we should make an entirely new approach to problem and forget the past and start again.

10. The whole problem was created here by their unwarranted assumption of construction which Canada would place upon proposed Article 10 and construction which would be placed on Article 7 Lend-Lease Agreement by United States and construction which would be placed on Atlantic Charter by the United Kingdom.

11. They have jumped at conclusion that said clauses and Charter have one meaning and one only namely, that it involves only reduction of tariffs and other trade barriers.

12. They feel here that primary emphasis to be placed upon construction of clause is that there should be international collaboration designed to promote

employment, production and consumption of goods and international agreements by which countries bind themselves to pursue domestic policies aimed at full employment and higher standards of living.

13. The whole dispute seems to reduce itself to one constructive clause. As stated they assume we read it to mean that there is only one thing to be done and that is to reduce tariffs. They on the other hand read it to mean primary emphasis on domestic policies to curb full employment and when there is full employment in the world and consequent rising standards of living and greater purchasing power, then it will be possible more effectively to adopt practical measures to lower tariffs and they are in agreement that they should be lowered.

14. Evatt therefore suggests that Article 10 remain in Agreement as draft and that coincident with Agreement a note be delivered to you, the terms of which I hope to send you by telegraph to-morrow.

15. He says that if you are in accord with views set out in said note and so state that matter ends there, agreement will be signed as drafted.

16. If, however, you cannot accept terms of note, he proposes that preamble be amended by including an additional sentence acknowledging receipt of note so that Australia can argue subsequently that we had notice of interpretation they will place on Article X.

17. Please see my despatch No. 12 of January 14th.[†]

451. DEA/4929-D-40

Le haut commissaire en Australie au secrétaire d'État aux Affaires extérieures

High Commissioner in Australia to Secretary of State for External Affairs

TELEGRAM 36 Canberra, February 2, 1944

1. My telegram No. 33 of January 31st, Mutual Aid.

2. I have received from Doctor Evatt the memorandum referred to in paragraph 14 thereof. Accompanying this was an aide-mémoire largely dealing with letter from Mr. King to Mr. Curtin referred to in paragraphs 3 and 5 of said telegram, and reiterating in much more forceful terms than he expressed to me personally their objections as stated in said paragraphs.

3. Aide-mémoire contains some other comment about Canada's obligation as a United Nation and as a sister Dominion to grant Mutual Aid to Australia and comment about public discussion in the event of failure to agree.

4. Aide-mémoire requested me to telegraph full contents to you.

5. I called Doctor Evatt in Sydney and reminded him of his own suggestion that we should forget past negotiations and start afresh, and told him that if I sent forward this aide-mémoire I was afraid it would merely divert discussion from agreement to an altercation about implications contained in Prime Minister's letter.

6. He then instructed me to strike out paragraph asking me to telegraph aide-mémoire and said to use my own judgement as to what if any portion thereof I should send.

7. In my opinion no good purpose is to be served by getting into a discussion of Prime Minister's letter and this should be a closed incident and in exercising discretion he has given me I am not sending memorandum referred to in telegram No. 33.

8. Understanding is that if you are in accord with contents of this memorandum it should be incorporated in a note and acknowledged by a note, and preamble of the agreement should be amended to contain the following recital "and whereas in their understanding of conditions upon which such war supplies are made available by one United Nation to another, the Government of Canada and the Government of Australia have agreed on interpretation set out in schedule attached to this agreement as defining their duty in pursuit of general economic objectives specified in Article 10 hereof."

9. Alternatively if you cannot see your way clear to accept the above mentioned proposal then the Australian Government is willing to sign Mutual Aid Agreement a recital to be prepared referring to interpretation placed by the Australian Government alone on Article 10, such interpretation as set out in memorandum to be included as a schedule to agreement.

10. I would strongly urge you to agree to alternative suggestion because you are not thereby binding yourself in any way to accept their interpretation but are merely giving them the opportunity of indicating to everyone beforehand point of view they are going to take when it comes to the actual implementing of Atlantic Charter, Lend-Lease Article 7 and Article 10.

11. To my mind memorandum is a rather platitudinous reiteration of the various articles under consideration with a hint that in their opinion post-war collaboration is conditioned upon pursuit of domestic policies aimed at full employment.

12. I cannot see that any limitation upon your interpretation of Clauses will arise because of your permitting them to make this interpretation part of the agreement as a schedule, and in fact I think it perhaps would be well if their viewpoint so expressed is reduced to writing and made part of a public document.

13. After all we should remember that the war is not over nor is the end in sight and that like every other nation (Australia?) is in throes of trying to make up her mind as to what should be done in post-war world.

14. I believe regardless of the way Australia is now thinking as we approach the end of the war and move into post-war period conferences such as the Relief Conference, proposed Monetary Conference and other similar Conferences will be held and that Australia will take her place therein and will by force of circumstances have to join the other nations in dealing with various problems and that ultimately Australia will find herself in approximately the same position as every other nation in dealing with post-war problems regardless of her present line of thought. I doubt the wisdom of forcing a

showdown on interpretation or policy at this moment as I feel that time and circumstances will do a great deal to change their attitude.

15. For these reasons I am strongly of opinion that you should now accept my recommendation and enter into the agreement making this one-sided interpretation part thereof as suggested.

452. DEA/4929-D-40

Le haut commissaire en Australie au secrétaire d'État aux Affaires extérieures

High Commissioner in Australia to Secretary of State for External Affairs

TELEGRAM 37 Canberra, February 2, 1944

Following is memorandum referred to in my immediately preceding telegram, Begins: Interpretation of Article 10 of Canadian-Australian Mutual Aid Agreement. Attached aide-mémoire of February 1st, 1944.

In the Declaration of Washington, dated January 1st, 1942,[201] the Australian Government, like the Canadian Government, adhered to the Atlantic Charter. Each Government has also accepted general principles of Article 7 of United States-United Kingdom Mutual Aid Agreement of February 23rd, 1942.

2. Article 10 of Canadian-Australian Mutual Aid Agreement is a paraphrase of the general principles set out in Article 7.

3. In entering into a Mutual Aid Agreement with Canada, the Australian Government desires that its interpretation of these general principles should be clearly understood.

4. The Australian Government bases its interpretation on fundamental provision contained in Clause 79 of the Atlantic Charter,[202] which accepts international objective of "improved labour standards, economic advancement and social security." The Australian Government, accepting this noble objective, unreservedly believes that Article 7 of the United Kingdom-United States Agreement is intended as a further expression of the same objective, and also that such objective can best be attained by attaching primary and indeed supreme importance to adoption of measures designed to promote full employment and increased production and consumption of goods. This is made reasonably clear by verbiage of Article 7 itself.

5. In view of the Australian Government these international undertakings mean that a high level of employment in all countries is a fundamental condition for better standards of living throughout the world and resulting increases in production and consumption of goods.

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[201] Voir le volume 9, document 131.
See Volume 9, Document 131.

[202] En réalité, la clause 5. Voir le volume 7, document 327.
In fact, Clause 5. See Volume 7, Document 327.

6. The Australian Government will, in the immediate post-war period, support such form of economic collaboration, as should make it unnecessary for countries to adopt policies of aggressive economic nationalism, but at the same time it is our view that it is necessary for countries which are not fully developed or which are highly dependent upon a narrow range of exports to be able under any agreement

(a) To use such economic measures as may from time to time prove necessary to ensure continued stability. The need for these measures will decrease to the extent that international collaboration proves successful, and

(b) To develop and diversify their industries.

7. Furthermore, the Australian Government is of the opinion that it is reasonable to expect all international agreements on economic collaboration should take into special account the industrial development, the dislocations and accumulated needs resulting from prolonged diversion from peacetime production, in countries which have long been engaged in a total war effort. February 1st, 1944. Ends.

453. DEA/4929-D-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Australie

Secretary of State for External Affairs to High Commissioner in Australia

TELEGRAM 25 Ottawa, February 5, 1944

SECRET. Following from Robertson, Begins: Your telegrams Nos. 36 and 37 of February 2nd. For your private information Glasgow received the full text of the Aide Mémoire from Evatt and showed it to Wrong and myself on February 1st. You showed admirable judgment in securing from Evatt deletion of his request to telegraph its contents in full since receipt of so unreasonable and bad tempered a reply might have gravely affected our relations with Australian Government and even prejudiced renewal of Mutual Aid procedure. Glasgow has now received instructions to show document in question to no one.

2. Mutual Aid Board yesterday decided it could not accept Australian proposal mentioned in paragraph 9 of your No. 36. Attachment to the Agreement of interpretation of Article X set forth in your No. 37 would lead to interpretations of this or other Articles by other Governments. We are, however, considering possibility of making some change in language of Article itself which should leave Australia an escape from an untenable position. Please do not mention this until you receive further instructions. Ends.

454. DEA/4929-D-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Australie

Secretary of State for External Affairs to High Commissioner in Australia

TELEGRAM 30 Ottawa, February 11, 1944

IMPORTANT. Your telegrams Nos. 36 and 37 of February 2nd. Please inform Australian Government that, after discussions with other Governments and having in mind the type of multilateral agreement on commercial policy now under active consideration, we have decided to amend Article X of all our draft Mutual Aid Agreements. We are substituting for the words "the expansion of international commerce by the reduction of tariffs and other trade barriers" the words "the expansion of commerce through appropriate international agreements on commercial policy." Agreements including the Article in this amended form are being signed here today with the United Kingdom and Soviet Governments.[203]

2. We feel sure that this change will meet the difficulty encountered by the Australian Government in accepting the original language. We hope that they will approve the signature of the agreement at a very early date. We are informing the Australian High Commissioner of two minor and technical changes in other articles which should certainly cause no problem.

455. DEA/4929-D-40

Le haut commissaire en Australie au secrétaire d'État aux Affaires extérieures

High Commissioner in Australia to Secretary of State for External Affairs

TELEGRAM 74 Canberra, February 24, 1944

SECRET. 1. Reference your telegram No. 38 of February 19th.†

2. Full Cabinet met on Tuesday and I judge that Agreement as amended was considered thereat.

3. Evatt asked me to see him yesterday which I did.

4. He told me that when they gave amendments to Article he forgot to consider the recitals in Agreement and that he had since had a copy of the Agreement telegraphed here.

5. He pointed out that third recital in its text as drafted was inconsistent with Article 10 as amended, and that he would like to have either recital entirely eliminated or altered to read "Whereas it is expedient that conditions upon which such war supplies are made available by one United Nation to another

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[203]Voir Canada, *Recueil des traités*, 1944, N^{os} 3, 4.
See Canada, *Treaty Series*, 1944, Nos. 3, 4.

should not be such as to prejudice a just and enduring peace, but should be in accordance with economic objectives set out in Article 5 of the Atlantic Charter."

6. As I read the Agreement under discussion, the primary object thereof is granting of mutual aid and terms and conditions under which it will be granted and some of the post-war objectives aimed at in granting thereof in manner provided. Into this contract has been inserted what is strictly speaking an extraneous clause in the form of Article X. In this we have followed largely the Lend-Lease Agreement into which Article 7 has been injected, and in regard to which there are, so far as I can see, no recitals relating thereto. If I am correct in this, then if you eliminate Article 10 the recital in question is still necessary to state the general objectives of Mutual Aid Agreement. If you eliminate recital then Article 10 can still be contained in Agreement just as Article 7 is thrown in Lead Lease Agreement. Thus, in my opinion, recital and Article are not inter-dependent. Article 10 states the general post-war objectives of contracting parties and recital merely states that goods are being supplied not only to help in present war but to create a condition which will further the course in post-war period of provisions of Article 10. Only to this extent is there any relationship between the two clauses.

7. Consequently I pointed out to him that in my opinion this recital and Article 10 were not directly related the one to the other and that recital referred not to post-war policy but to immediate conditions under which war supplies were being made available and object was not to leave a burden of debt after the war which would create a burden on post-war commerce or lead to the imposition of trade restrictions on a just and enduring peace.

8. He agreed that in constructing proposed agreement strictly on a legal basis that position I took was correct but that he was concerned about construction which would be placed upon recital by ordinary citizen and not by members of the legal profession.

9. He then suggested that Article 10 as amended would be improved by a repetition of the economic objectives set forth in said Article 5, and he suggested after final word "charter" that there be added the following words: "that is to say the objectives will be securing for all improved labour standards, economic advancement and social security."

10. Of course it is not necessary for me to point out that Article 10 presently refers to the whole of the Atlantic Charter and proposed amendment merely stresses one article thereof.

11. I told him that agreements had been signed by Canada with Soviet Russia and United Kingdom Governments and I did not think you could alter these at this date to meet his desires.

12. He then suggested that if we could not go all the way to meet him that we leave the recital as it is but adding the proposed words to Article 10.

13. He asked me to do my best at least to have his wishes met respecting his proposed amendment of Article 10 and I told him that I would do my best so to do, but that I could not hold out much hope.

14. He finally told me that if the Canadian Government insisted, Australia would sign Agreement as is, but would much appreciate our Government meeting him on further amendment of Article 10.

15. Refer to paragraph 3 of my despatch No. 37 [*sic*] of February 7th,[1] relating to views of Federal Executive of the Labour Party on Article 5 of Atlantic Charter. It would appear that the Government here would like to ignore Article 4 of the Charter.

16. Please instruct me.

456. DEA/4929-D-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Australie

Secretary of State for External Affairs to High Commissioner in Australia

TELEGRAM 42 Ottawa, February 25, 1944

IMMEDIATE. SECRET. Your telegram No. 74 of February 24th. Please inform Dr. Evatt that since we have completed our negotiations with the United Kingdom and Soviet Governments we regret that we cannot accept his suggestions for amending either the Recital to the Agreement or Article X.

2. The Third Recital in the preamble is in essence a statement of the motives which have led the Canadian Government to furnish without payment large quantities of war supplies to their allies. We consider it appropriate that the Governments which accept these supplies should recognize in this way the policy under which the supplies are furnished. This policy has been designed to avoid the creation of war debts which would distort and reduce the flow of trade after the war. No other Government has raised any objection to the language proposed by us. Your interpretation of it in relation to Article X is correct. If huge war debts were built up through the sale of war supplies an expanding world economy, as envisaged in Article X, could have no chance of realization.

3. Mr. Evatt's further suggestion for amending Article X raises a new point. If we were to accept it, would it not appear that both Canada and Australia were seeking to disavow paragraph 4 of the Atlantic Charter? In any case the Atlantic Charter is well enough known for it to be unnecessary to quote part of its language in this Agreement.

4. You should talk to Evatt on the above lines making it clear that he has received our final proposals and that we wish to be informed at once whether Australia accepts the Agreement as it stands.

457. DEA/4929-D-40

Le haut commissaire en Australie au secrétaire d'État aux Affaires extérieures

High Commissioner in Australia to Secretary of State for External Affairs

TELEGRAM 77 Canberra, February 28, 1944

Your telegram No. 42 of February 25th. Evatt has agreed to execute Agreement as it stands with your amendments.[204] He states that when he tables same in the House here he proposes to make a statement which I presume will cover their post-war policies of full employment as conditional precedent to approach to greater international trade. It may be that he will indicate construction they place upon Article 10. He told me that in their view our Agreement only related to Article 5 of Atlantic Charter. He said that he would not say anything in any way to embarrass us and would hand me copy of what he proposed to say well in advance. If I consider contents important will advise you when statement received. He states that at time of tabling they will publicly express appreciation to Canada and acknowledge that by agreement we are doing our part in this theatre in the light of our activities elsewhere. Please send me figures referred to in my telegram No. 61 of February 16th.†

SECTION B

ANTILLES BRITANNIQUES
BRITISH WEST INDIES

458. DEA/4929-N-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire de Grande-Bretagne

Secretary of State for External Affairs to High Commissioner of Great Britain

No. 1 Ottawa, January 4, 1944

Sir,

I have the honour to refer to the recent exchange of letters between your Financial Adviser and the Department of Finance regarding the provision of supplies under the Canadian Mutual Aid Act to the British West Indies.[205] This note will confirm the decision of the Canadian Government to provide Mutual Aid to the British West Indies in the form of flour to the approximate

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[204] L'accord fut signé à Ottawa le 9 mars 1944. Voir Canada, *Recueil des traités*, 1944, N° 5.
The agreement was signed in Ottawa on March 9, 1944. See Canada, *Treaty Series*, 1944, No. 5.

[205] Voir le volume 9, les documents 374, 375 et 378.
See Volume 9, Documents 374, 375 and 378.

value of $1.00 per capita. In doing so, we propose to use the population figures which have been provided through your office. Our understanding is that the correct figures are as follows:

Bahamas	60,000
Barbados	156,000
Jamaica	1,237,000
Leewards	140,000
Trinidad	506,000
Grenada	86,000
St. Lucia	59,000
St. Vincent	39,000
Dominica	43,000
Bermuda	32,000
Br. Honduras	61,000
Br. Guiana	354,000

Since it is proposed to offer this Mutual Aid flour to the West Indies immediately, in view of the short position in which some of the Colonies find themselves, it would be appreciated if the United Kingdom Government could notify the respective Colonial Governments in the West Indies at the earliest possible moment that the Canadian Government is prepared to offer them limited amounts of flour under the Mutual Aid Act. It would be desirable in doing so, however, to refrain from mentioning the basis on which the amounts will be determined. It is proposed that each Colony will be informed of the precise quantity of flour to be supplied by the Canadian Trade Commissioners in the West Indies. The Trade Commissioners will also issue a public statement giving the nature and purpose of this action under the Mutual Aid Act. We would suggest that if any publicity is to be given to this matter by the Colonial authorities, it should be correlated with the proposed statement by the Canadian Trade Commissioners.

While it is not proposed that this Mutual Aid transfer should be contingent upon any particular use of the funds resulting from the sale of the flour provided, it has been noted with approval from the letter of your Financial Adviser to the Deputy Minister of Finance, dated December 1, that your authorities propose that these proceeds should be used in the first place to contribute toward expenditure, if any, on cost of living stabilization policies, and that any balance should be transferred to a Suspense Account for post-war use. I would appreciate it if your authorities could inform us, after the operations are concluded, what disposition has been made of these funds.

We propose to deal separately with the various Colonies listed above.

I should be glad if you would inform me whether the United Kingdom authorities concur in the arrangements set forth in this note.

I have etc.

H. H. WRONG
for the Secretary of State
for External Affairs

459. DEA/4929-N-40

Le conseiller financier, haut commissariat de Grande-Bretagne, au sous-secrétaire d'État adjoint aux Affaires extérieures

Financial Adviser, High Commission of Great Britain, to Assistant Under-Secretary of State for External Affairs

915/304 Ottawa, January 19, 1944

Dear Mr. Wrong,

The High Commissioner is to-day addressing a Note to the Secretary of State for External Affairs in reply to his Note No. 1 of the 4th January concerning the provision of Mutual Aid to the West Indies. In connexion with this Note I have been asked by the United Kingdom Government to let you know that they wish to make certain corrections in the population statistics relating to the West Indian Islands which formed the basis of the Canadian offer of Mutual Aid.

2. In the first place the figure for the population of Jamaica should be 1,247,000. Secondly, the figures for the individual Windward Islands should be as follows:

Grenada	91,000
St. Lucia	73,000
St. Vincent	63,000
Dominica	53,000

Finally, the figure which you gave for the Leeward Islands should be 87,000. This latter correction is due, I fear, to an error in the figure of 140,000 which this Office gave recently to the Department of Trade and Commerce. That figure now proves to have included the figure for Dominica which belongs of course to the Windward and not to the Leeward group of islands. I much regret this error.

Yours sincerely,

R. GORDON MUNRO

460. DEA/4929-N-40

Le haut commissaire adjoint de Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Deputy High Commissioner of Great Britain to Secretary of State for External Affairs

No. 6 Ottawa, January 19, 1944

Sir,

I have the honour to refer to your Note No. 1 of the 4th January last, about the provision of supplies to the British West Indies under the Mutual Aid Act. The United Kingdom Government have requested me to convey to you in reply their warm thanks for this gesture on the part of the Canadian Government which they feel sure will be equally appreciated in the West Indies.

2. In order to implement the Canadian Government's proposals the United Kingdom Government propose to telegraph to the various West Indian Governments in the terms of the following message. Begins.

(1) The Canadian Government has informed His Majesty's Government in the United Kingdom that Canada is prepared to offer, under the terms of the Canadian Mutual Aid Act, a defined quantity of flour to each West Indies Government. Each Colony will be informed by the Canadian Trade Commissioners in the West Indies of the precise quantity of flour involved in its particular case.

(2) As the Canadian Government have made no suggestions regarding the method of procurement to be employed, there is clearly great advantage in continuing with present procurement procedure if it is working satisfactorily, and provided that

(a) it can, or can be made to, ensure that the entire benefit of this generous gift by the Canadian Government passes to the Governments concerned and that no part of it accrues to merchants, and

(b) it will fit in with whatever supply arrangements the Canadian Government have made at their end. You should agree this latter point with the Canadian Trade Commissioners and will no doubt keep the British Colonies Supply Mission closely informed.

(3) In agreement with the Canadian authorities it has been decided that the fund resulting from the re-sale of the flour to the public may be used in the first place to assist in the finance of any existing policies of stabilization of the cost of living. Any balance not required for that purpose should be placed in a suspense account for use after the war.

(4) The Canadian Trade Commissioners will be issuing a public statement giving the nature and purpose of this action under the Mutual Aid Act and it is desired that any publicity by the West Indies Governments should be correlated with the proposed statement by the Canadian Trade Commissioners.

(5) I shall be grateful if you will inform me of the arrangements finally made. Ends.

Before the Secretary of State for the Colonies transmits this message to the Governments concerned, I am asked to enquire whether the Canadian Government concur in the terms in which it is framed.

3. If the Canadian Government propose to issue any statement in Ottawa concerning these proposals the United Kingdom Government have expressed the hope that they may be given an opportunity of seeing beforehand the draft of this statement in case they should have any comments.

I have etc.

PATRICK DUFF

461. DEA/4929-N-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire de Grande-Bretagne

Secretary of State for External Affairs to High Commissioner of Great Britain

No. 9 Ottawa, February 3, 1944

Sir,

I have the honour to refer to your Note No. 6 of January 19th concerning the provision of supplies to the British West Indies under the Mutual Aid Act. I regret that it has not been possible to reply to your Note at an earlier date. Further consideration has been given to the question of the publicity to be accorded to the gift and this has been responsible for the delay.

I suggest that it would be desirable to alter in certain respects the terms of the telegram which the United Kingdom Government propose to send to the various West Indian Governments. I attach a copy of the instructions which were sent by the Department of Trade and Commerce to the Canadian Government Trade Commissioners in the West Indies under date of January 12th. These instructions have now been acted upon by the Trade Commissioners and the information in them has been communicated to the Colonial Governments. You will observe that they cover the question of methods of procurement of flour. It would, therefore, be desirable that paragraph 2 of the proposed telegram should be altered in order to correspond with the instructions issued to Trade Commissioners.

It has also been decided that for the present no publicity shall be given either by the Canadian Government or by Trade Commissioners in the West Indies to the gift of flour. I suggest, therefore, that paragraph 4 of the proposed telegram should be deleted and that there should be substituted for it a statement that the Canadian Government wish no publicity to be given to the gift at the present time and that further instructions will be sent to Canadian Trade Commissioners in the event that there is a change in this position.

I have been informed by the Department of Trade and Commerce that most of the colonies have replied to the offer made by the Trade Commissioners accepting the proffered assistance. The Government of Bermuda, however, has indicated that they do not wish to accept the offer preferring to purchase the flour they require from the Canadian mills in accordance with their previous practice.

Finally, I desire to express the appreciation of the Canadian authorities for the warm thanks extended in your Note by the United Kingdom Government

to the Canadian Government for the provision of this assistance from Canada to the British West Indies.

I have etc.

H. H. WRONG
for the Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du ministère du Commerce

Memorandum by Department of Trade and Commerce

[Ottawa, January 12, 1944]

B.W.I. MUTUAL AID FLOUR - PROCUREMENT PROCEDURE

1. Each Colony will be supplied with Grade "E" flour packed in 98-lb. cotton bags to the following quantities, based on the populations of the respective Colonies:

	(bbls.)
Bahamas	8,800
Barbados	22,800
Jamaica	182,000
Leewards	20,400
Trinidad	74,400
Windwards:	
Grenada	12,800
St. Lucia	8,800
St. Vincent	5,600
Dominica	6,400
Bermuda	4,800
Br. Honduras	8,800
Br. Guiana	52,000

2. Purchases to be made by Trade & Commerce on the basis of $6.80 per 196 lbs. f.a.s. Halifax, which price is contingent on mills obtaining wheat from the Wheat Board on the basis of $1.25 per bushel for No. 1 Northern in store Ft. William.

3. For those Colonies which have Accredited Representatives in Canada, flour will be handed over to the Representative, basis f.a.s. Halifax. All charges beyond f.a.s. Halifax basis, including demurrage, forwarding, freight, insurance, etc., will be for account of the Colony and will be payable by the Representative.

4. Mills to invoice T. & C. solely on basis of $6.80 per 196 lbs f.a.s. Halifax.

5. Mills to invoice Accredited Colonial Representatives, or in the case of Colonies with no representative in Canada, the Colonies direct, with ocean freight, additional inland freight over f.a.s. Halifax, and any other charges accruing at seaboard.

6. When it is necessary to effect shipment other than via Halifax, the additional inland freight charges which will be for account of the Colony will be per 196 lbs.-

via	
Philadelphia	10c
New York	10c
Baltimore	10c
Mobile	55c
New Orleans	55c
Miami	$1.30c

7. In the case of those Colonies having no representative in Canada, mills will arrange shipping, etc., billing those Colonies direct for ocean freight, additional inland freight (where necessary), and other charges. For this service, mills will be entitled to charge these Colonies at the rate of 5¢ per barrel.

8. Payment will be made by T.&C.-

(a) on presentation of a copy of the railway bill of lading together with the original invoice and one copy, certified by the Colonial Representative, subsequent to which the Accredited Representative is to provide a copy of the ocean bill of lading or an issue voucher duly certified.

(b) In the case of those Colonies with no Representative in Canada, on presentation of the original invoice with one copy, together with a copy of the ocean bill of lading.

9. As mills are not permitted to include agents' commissions in quoted price, Colonies will be requested to pay customary sales commissions (15¢ per 196 lbs.) to mills' agents. An assurance to this effect to be obtained from each Colony except Jamaica and British Honduras, where other arrangements prevail.

10. Colonies to be requested to signify immediately the names of their Accredited Representatives in Canada with authority to accept Mutual Aid flour, sign receipt vouchers, arrange forwarding and pay necessary charges; alternately, if no representative is available, Colonies to signify willingness to accept flour f.a.s. Halifax basis, and refund charges beyond this basis, to the mills, as indicated in paragraph 7.

11. All Colonies to be requested to signify immediately whether marine and war risk insurance should be effected at their expense.

12. All invoices and bills of lading to carry the notation "Mutual Aid Flour."

13. Flour bags to bear the "Mutual Aid" insignia.

14. Contracts to be placed with mills on same percentage basis as sales by mills presently being made in each Colony.

462. MAB/Vol. 42

Le sous-ministre par intérim du Commerce au directeur de l'administration, la Commission d'aide mutuelle

Acting Deputy Minister of Trade and Commerce to Director of Administration, Mutual Aid Board

Ottawa, June 29, 1944

Dear Mr. Fraser,

You will recall our discussion when you called at this office last week in regard to the continuance of the supply of flour to the British West Indian colonies under Mutual Aid for the coming year, on a basis similar to that included in last year's Mutual Aid Programme. I informed you then that before expressing a definite view on this matter I would like to consult our officers who had attended a meeting last week in New York with the principal Supply Officers of the different colonies, as I thought that it would be desirable to obtain through them as much information as possible with regard to the reaction of the different West Indian colonies to last year's flour supply arrangements.

Some eight or ten of the West Indian Supply Officers who attended the meeting in New York came on to Ottawa and were here during the earlier part of this week. Thus we had a good opportunity to obtain from them their views in regard to the flour supply arrangements.

Each delegate with whom the matter was discussed stated that Canada's action had been very greatly appreciated, not only by the Governments concerned but by the citizens of the colonies. In practically every colony the benefit of the Canadian Mutual Aid flour arrangement is being used to maintain the overall cost-of-living, or to hold down the retail price of some specific imported commodity. Most of the colonial representatives expressed the hope that last year's gift of flour would be repeated during the current year, and they stressed the great value to the colonies of the assistance that Canada has been able to give them in this form.

Having initiated this type of assistance to the British West Indian colonies, I think that its continuance on the same basis as last year should be provided for in the current Mutual Aid Programme. I will appreciate it if you will be good enough to let me know, as soon as possible, what decision on this matter is reached by the Mutual Aid Board, in order that in the event that renewal of the arrangement is authorized we may give prompt attention to the procurement of the supplies required.

Yours faithfully,

OLIVER MASTER

Concurred in:

J. A. MACKINNON
Minister of Trade and Commerce

463. DTC/Vol. 271

L'adjoint du directeur de l'administration, la Commission d'aide mutuelle, au sous-ministre par intérim du Commerce

Assistant to Director of Administration, Mutual Aid Board, to Acting Deputy Minister of Trade and Commerce

Ottawa, July 12, 1944

Dear Mr. Master,

At the meeting of the Canadian Mutual Aid Board on Monday of this week, opposition developed to the further extension of Mutual Aid to the Caribbean Area. The Hon. Mr. Ilsley and the Hon. Mr. St. Laurent were the two Ministers who were inclined to oppose granting of further Mutual Aid. The question was left for final decision until the next meeting of the Board.

My own view in the matter is that, while we might have been ill advised in granting Mutual Aid to the Caribbean Area in the first instance, we would now be equally ill advised if we were to stop this assistance. It would obviously be infinitely better if we had never commenced than to have granted a certain amount, obtained due publicity, expressions of thanks and appreciation from the Colonies concerned and then only to discontinue it while Mutual Aid was still being granted to other countries. The amount of money involved is infinitesimal compared with the total. The value from a trade point of view is, I believe, considerable and should undoubtedly be the means of introducing Canadian flour to Islands that had not previously known the Canadian product.

If the Department agrees with the principle involved, it would seem desirable that Mr. MacKinnon should be briefed for the next meeting of the Mutual Aid Board.

Yours faithfully,

G. R. HEASMAN

464. DTC/Vol. 271

Mémorandum du sous-ministre par intérim du Commerce au ministre du Commerce

Memorandum from Acting Deputy Minister of Trade and Commerce to Minister of Trade and Commerce

Ottawa, July 28, 1944

SUPPLY OF CANADIAN FLOUR UNDER MUTUAL AID TO THE B.W.I.

At the last meeting of the Mutual Aid Board no decision was reached as to whether Canada would again supply flour under Mutual Aid to the West Indies on the same basis as was in effect last year.

I had written to Mr. Karl Fraser, stating that this Department would recommend renewal of last year's arrangement. However, I understand that one or two members of the Board—Mr. Ilsley and Mr. St. Laurent, I believe,—were not prepared to accept this recommendation without further consideration.

This question will come up again at the next meeting of the Mutual Aid Board and the attached brief has been prepared by Mr. English, giving the grounds on which we believe that it would be unwise not to renew the arrangement.

You will recall that last year you and I attended a Mutual Aid Board meeting where this subject came up, and that I was then rather loath to accept the proposal that had been worked out for supplying flour to the West Indies. However, the Board went ahead with that proposal and flour was actually supplied. The whole arrangement appears to have worked out very well. Certainly, the West Indian colonies have been very appreciative.

My present view is that, having made the initial step of starting Mutual Aid to the West Indies, we would defeat a large part of our purpose in doing so by cutting them off now. I cannot say definitely what their reaction would be, but I think they would wonder why we had been so anxious to give them Mutual Aid flour last year and why we should now, without any change in their circumstances, be so anxious to cut it off. I would feel that we would run some risk of having done ourselves more harm than good in regard to retaining their commercial good-will.

While we need not press the case too strongly, there is appended a brief, which summarizes the main facts in the case as we see them, for your information in discussing this problem when it comes up again at the next meeting of the Mutual Aid Board.[206]

OLIVER MASTER

[PIÈCE JOINTE/ENCLOSURE]

[Ottawa,] July 25, 1944

MUTUAL AID FLOUR FOR THE B.W.I.

1. *Policy During 1943-44:*

It was decided to extend a measure of Mutual Aid direct to the B.W.I. during 1943-44 in order to -

(a) Assist the Colonies in their endeavours to meet the rising cost of living resulting in some measure from the increased cost of goods imported from Canada;

(b) Make it known to the Colonies that Canada's mutual aid gift to the U.K. was in fact assisting the Colonies;

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[206] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Noted by the Minister—Aug[ust] 11/44 P[ICKERSGILL]

(c) Create goodwill for Canada;

(d) Further consolidate our trade position with the B.W.I.;

(e) Ensure that a shortage of sterling would not interfere with the Colonies in the procurement of essential supplies from Canada.

2. *Minutes of the Mutual Aid Board* (Dec. 1943).

"The Board wish to see some of the West Indies' essential requirements in Canada provided directly to these Colonies under the authority of the Mutual Aid Act. Trade figures indicate that the value of exports this year from Canada to the West Indies as a whole will exceed by many million dollars the value of imports to Canada from the West Indies. The exports in question are very largely essential supplies for the maintenance of the civilian population of the Colonies, and the provision of some portion of them as Mutual Aid would be consistent with the objectives and the terms of the Mutual Aid Act. The Board are aware that the effect of providing these supplies directly to the colonial authorities as Mutual Aid, instead of providing them or something else, directly to the United Kingdom, will have the effect of reducing the budgetary assistance afforded by Mutual Aid to the United Kingdom, and of giving a corresponding assistance directly to the budgets of the Colonies in question. The Board believe, however, that this relatively small share of the budgetary assistance afforded to the United Kingdom can reasonably be diverted to the Colonies concerned and that the United Kingdom will be in a position to take it into account and to ensure that it does not produce undesirable results, for example, in contributing to inflationary tendencies."

3. *Basis Used in Provision of Mutual Aid During 1943-44.*

(a) It was decided to extend Mutual Aid assistance to each of the B.W.I. Colonies in the form of flour to the amount of $1.00 per capita of the Colonies.

(b) Flour was adopted as the means because it was the only commodity common to all the Colonies, and its procurement and distribution was a relatively simple matter.

(c) On decision of the Board, it was agreed that wheat for the manufacture of this flour should be drawn from the Crown Wheat Account at the fixed price. This enabled flour to be made available at a standard price of $1.80 per barrel.

(d) The Colonies concerned, their populations, and the quantity of flour provided to each under Mutual Aid are as follows:

Colony	*Population*	*Bbls. of Flour*
Bahamas	60,000	8,800
Barbados	156,000	22,800
Br. Guiana	354,000	52,000
Br. Honduras	61,000	8,800
Dominica	53,000	7,600
Grenada	91,000	13,200
Jamaica	1,237,000	182,000
Leewards	102,000	15,200
St. Lucia	73,000	10,800
St. Vincent	63,000	9,200
Trinidad	506,000	74,000
Bermuda	32,000	nil
Totals	2,788,000	404,400

4. *Reception of Offer by the Colonies:*

Each of the Colonies, with the sole exception of Bermuda, gratefully accepted the offer of Mutual Aid assistance from Canada. Letters from a number of the Governors or other authorities of the Colonies expressed appreciation for the Canadian gift. (see letters attached*)

5. *Use of Proceeds from Mutual Aid Flour*

(a) *Bahamas:* Proceeds from sale of flour would enable the Government to accumulate a fund which would be used to subsidize sale of rice at a retail price of 1 d. per pound lower than would be otherwise necessary for a period of 9 to 12 months. This would be physiologically beneficial, as rice is one of the most important necessities largely consumed by the poorer classes of the community, and is controlled and rationed by Government. This would also lower cost of living by three points. (Ref. letter Acting Colonial Secretary in Jamaica, file 35310, March 11, 1944)

(b) *Barbados:* Retail price of flour has been reduced from 6c to 5c per pound for the remainder of the year. (verbal statement by Controller of Imports)

(c) *Trinidad:* Using proceeds of sale of Mutual Aid flour to maintain retail price of flour despite rising cost of commercial purchases and increased consumption. Any surplus after this operation would be used for subsidizing other Canadian produce such as equalization fee on oats and salt fish. (Ref: letter of Jan. 11, 1944 from Governor of Trinidad, file 35310.)

(d) *Jamaica:* Proceeds to be used to assist in holding cost of living at not over 60% above the base period. (Verbal statement by Competent Authority)

6. *Reasons for Continuation of Mutual Aid Flour to B.W.I. During 1944-45*

(a) In absence of export ceiling prices, cost of many Canadian products such as flour have continued to rise during the past 12 months, while at the same time price to Canada of most B.W.I. produce such as sugar, molasses, etc., continues at relatively fixed basis.

(b) Desirability of continuing assistance to B.W.I. in combatting rising cost of living.

(c) Importance of B.W.I. as a market for Canadian products, as shown by the following figures of Canadian exports in recent years:

1938	$14,102,918
1939	$14,914,622
1940	$21,825,169
1941	$39,289,314
1942	$35,425,662
1943	$37,990,176

(d) The B.W.I., as a group, continue to have an adverse balance of visible trade with Canada as shown in the following:

1942	$19,858,569
1943	$13,012,954

Continuation of Mutual Aid should make it less urgent for the B.W.I. to reduce their purchases from Canada on grounds of shortage of Canadian exchange.

7. *Proposals for 1944-45*

In view of the very favorable impression created in the Colonies by the extension of Mutual Aid assistance during the past year, and in order further to aid the B.W.I. in maintaining their cost of living within reasonable levels, it is recommended that -

(a) Mutual Aid be continued to the B.W.I. during the current fiscal year;

(b) Such assistance be in the same form as during the past year, i.e. flour at the rate of $1.00 per capita;

(c) Wheat for this purpose be made available to millers from Government Account at a fixed price.

8. *Cost*

The cost out of Mutual Aid funds would be not more than $2,788,000.

465. DTC/Vol. 271

Mémorandum du sous-ministre par intérim du Commerce au directeur, le bureau des renseignements commerciaux, le ministère du Commerce

Memorandum from Acting Deputy Minister of Trade and Commerce to Director, Commercial Intelligence Service, Department of Trade and Commerce

Ottawa, August 29, 1944

The attached minutes of the Mutual Aid Board may be of interest to yourself and Mr. English, and perhaps to other officials of your branch.

You will note that Item No. 5 of the minutes for August 11 record the Board's decision to provide flour to the British West Indies under the same arrangement as was approved last year. Will you please bring this to the attention of Mr. Major[207] in order that the necessary buying arrangements may be put in hand as promptly as possible.

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[207] Chef, direction de l'expédition vers les Antilles britanniques, ministère du Commerce.
Chief, British West Indies Shipping Division, Department of Trade and Commerce.

These minutes should be returned to me at your convenience.

OLIVER MASTER

[PIÈCE JOINTE/ENCLOSURE]

Extrait du procès-verbal d'une réunion de la Commission d'aide mutuelle

Extract of Minutes of a Meeting of Mutual Aid Board

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5. WEST INDIES - EXTENSION OF THE PROVISION OF FLOUR UNDER MUTUAL AID

The Board gave consideration to a letter of June 29th from the Acting Deputy Minister of Trade and Commerce to the Director of Administration recommending extension of the provision of flour under Mutual Aid to the British West Indies. The amount is approximately $2,500,000. (C.M.A.B. Doc. No. 87).

The suggestion had been made that this item be not continued this year or at least reduced by half. The Department of Trade and Commerce however, had reported that Canada's action had been of great value to the colonies and greatly appreciated by both the Governments and the citizens of the colonies. It favoured continuation of the arrangements.

The Board, therefore, approved the provision of flour as Mutual Aid to the British West Indies, in an additional amount, in each case, equal to that approved last year.

...

SECTION C

CHINE/CHINA

466. DEA/4929-F-40

Mémorandum du secrétaire, le comité consultatif de Washington, la Commission d'aide mutuelle, au ministre, l'ambassade aux États-Unis

Memorandum from Secretary, Washington Advisory Committee, Mutual Aid Board, to Minister, Embassy in United States

Washington, February 2, 1944

SUPPLIES FOR CHINA

You will recall the decision reached by the Washington Advisory Committee to the Mutual Aid Board, to find out what United States intentions were regarding supply to China, to meet Mr. Wrong's request for background information.[208]

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[208] Voir le volume 9, document 370.
See Volume 9, Document 370.

2. For various reasons, we have not had the opportunity to formally ask the Americans to declare their hand, and I have therefore endeavoured to build up a picture from scraps of information picked up informally at random. I have set this out in the attached memorandum which for what it is worth should be qualified to the extent that:

(a) I have not had access to information about the strategic and political policies involved, either vis-à-vis the Chinese, or United States-British problems involving the question of revised control and responsibility in that theatre which has doubtless resulted from Mountbatten's appointment.

(b) It is impossible to deal adequately with a supply problem independent of the factors mentioned in (a) and finally, (but not least)

(c) The United States agencies concerned in Washington, are themselves handicapped by lack of detailed information about the current supply picture, and in particular on the stockpile situation in India.

3. Your attention is directed to the following points:

(a) The wide discrepancy in United States estimates (more accurately described as guesses) of the India stockpiles of United States material which vary from 100,000 to 300,000 tons.

(b) The scale of equipment of Chinese ground forces as compared with United States standards, i.e., one United States division equals two Chinese.

(c) United States shipments to India even since pressure was brought to bear on us to limit Canadian supplies for China of those items most readily transportable by air, have probably not been restricted by the same limitation.

(d) As mentioned in our teletype to External[209] and contrary possibly to Mr. Wrong's impression, no pressure has been put on us to withold our shipments. It is the form they are taking, however, which may cause trouble.

4. It seems, therefore, that a number of points (in addition to the inclusion of motor vehicles) should be the subject of discussions with the Americans:

(a) Further provision of Canadian supplies up to our maximum, and possibly revision of the limits previously agreed.

(b) United States concurrence, in view of their own hitherto relatively unrestricted shipments of supplies, to our sending other items not limited by size or weight to transport by air.

[S. V. ALLEN]

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[209] Voir le document suivant.
See following document.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du secrétaire, le comité consultatif de Washington, la Commission d'aide mutuelle

Memorandum from Secretary, Washington Advisory Committee, Mutual Aid Board

MOST SECRET Washington, February 2, 1944

UNITED STATES SUPPLY POLICY FOR CHINA

I. *Supply by United States War Department*

So far as I have been able to determine, the War Department program for Lend-Lease aid to China consists of:

(1) The equipment and training in India of thirty Chinese divisions under the 1943 United States Army Supply program. Equipment for fifteen United States divisions, equivalent to thirty Chinese divisions, was to have been shipped by the end of 1943. The training program is proceeding.

(2) Assignment of planes to the Chinese Air Force to permit of their cooperation with the Fourteenth Air Force, and assignment of transport planes to the Burma-China air route, sufficient to supply the Fourteenth United States and Chinese Forces.

In addition to increasing Chennault's[210] 14th Air Force to an undisclosed strength, 1943 assignments to the Chinese Air Force are 300 fighters and 48 bombers. The supply of the above combined United States-Chinese Air Forces is expected to put a strain on the most optimistic air transport plans.

(The margin of air freight space optimistically estimated as being available for other purposes, including the Chinese Forces in China, will not be over 1,000 tons for any month through 1944).

(3) Assignment of equipment for an additional thirty Chinese divisions for delivery in India through 1944.

War Department authorities realistically consider this program to be the optimum of Lend-Lease aid which can be afforded to China prior to a successful Burma campaign.

II. *United States Stockpiles in India*

India, under present conditions, is the supply base to meet the above program. Limited harbour and rail facilities in India have already been heavily overtaxed by this program. Even prior to the Quebec Conference the United States authorities (War Department and Lend-Lease) began to investigate the transportation and storage problems created in India by the flow of United States supplies to that country. As a result of General Stilwell's[211] recommendations further steps were taken towards the end of 1943 to estimate the

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[210] Général commandant, quatorzième force aérienne des États-Unis.
Commanding General, United States Fourteenth Air Force.

[211] Général commandant, forces des Etats-Unis en Chine, en Birmanie et en Inde, 1942-44.
Commanding General, United States Forces in China, Burma and India, 1942-44.

existing India stockpiles in terms of strategic needs, in order to determine how far shipments from the United States could be reduced.

No report worth serious consideration however, has yet been prepared by the United States War Department on the United States stockpile position in India or on port and harbour congestion. Three reports have been submitted, but as these were contradictory (one was unfavorable, one was favorable and the other not definite enough to be acted upon), two additional men have been assigned under General Farriss (United States-New Delhi) to submit such a report as soon as they can.

Meanwhile, guesses as to the total United States stockpile position have varied considerably from 100,000 to 300,000 tons without any indication of a breakdown by:

(a) Items intended for the Chinese Army and Air Forces proper,

(b) Items intended for General Stilwell's Chinese troops,

(c) Items intended for the United States Army Air Force in China.

The impression in Washington is that no very clear breakdown can be obtained as supplies of each of the three categories are drawn upon as they are needed and in accordance with their proximity to the point of despatch by air into China. It is widely accepted, however, that regardless of the ultimate user, the total is too large.

The Supply Division of the General Staff of the United States War Department has recently reviewed, or are in the process of reviewing, the whole supply program for China for 1944. On the basis of information now available General Maxwell[212] is likely to recommend cancellation of all requisitions for equipment in excess of that required for the existing 30 division establishment under General Stilwell. The 1944 program was to have been closed by January 15th, and even if General Maxwell's recommendation is not accepted by the General Staff, this indicates how seriously out of line the stockpile is in relation to existing facilities for transporting supplies into China by air or other means.

Meanwhile supplies for ground forces are being tapered off, but not suspended. Early in January, only around 8,500 tons of equipment had been held up as a result of the November 20th discussion of the Munitions Assignments (Ground) Committee, but pending submission of the report by General Farriss, the quantity of supplies so affected will increase.

III. *Transportation Facilities*

(a) *Air Transport*

Reference is made in paragraph I-(2) above to the margin of air freight space of 1,000 tons per month in 1944 available for cargo over and above that needed to maintain the United States-Chinese Air Force in China.

In September, for the first time, the monthly amount of cargo flown into China totalled 10,000 tons. This rate is expected to be maintained. Of this

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[212] Chef d'état-major adjoint, division des approvisionnements, état-major général, département de la Guerre des États-Unis.

Assistant Chief of Staff, Supply Division, General Staff, War Department of United States.

amount 7,000 tons is reserved for General Stilwell leaving, in theory, 3,000 tons for the Chinese forces including their air force. In fact, however, other priority demands are understood to have reduced this frequently to around 500 tons per month. The 1,000 tons estimate may be similarly affected from month to month. It is this space which the Chinese must utilize to get Canadian supplies into China, unless they are prepared to await the outcome of a successful Burma campaign.

(b) *Proposed Routes*

At present two overland routes are being constructed:

(1) A joint rail and road route commonly described as "The North West Highway", as a result of special negotiations between the Russians and Chinese. This road which is based on Karachi goes to Zahidan (rail junction) to Meshed through eastern Iran and, if present plans do not change, to Ashkhabad. From this point by combined rail and road supplies are to be shipped eastwards into China. However, for nearly six months United States equipment including about 1,200 heavy trucks which were given the Chinese and 2,400 trucks which were given the Russians have not been used and the United States authorities are faced with the decision of withdrawing the equipment for other purposes since the Chinese and Russians so far have failed to reach satisfactory working arrangemeents for the construction and operation of this route.

(2) The North East Highway, usually referred to as the "Ledo Road" or the "Yunan-Assam Road" is the route being constructed to meet the Burma Road above Sitchang by cut-off through Batang. The rail-head for this route is Sadiya from which a more southern route is at present under construction and which joins the Burma Road at Sitchang.

Neither of these routes is likely to be fully opened for transportation until the fall of 1944 at the earliest, even assuming in the first case the Russians and Chinese solve their difficulties, and in the second that good progress, which is dependent in part on successful military operations in Burma, is made.

467. DEA/4929-F-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-653 Washington, February 3, 1944

IMMEDIATE. MOST SECRET. Following for Wrong from Pearson, Begins: Your EX-4909 and EX-4910, December 21st,[†] re supplies for China. Due to illness of Major General Burns[211] and resignation of E. B. Van Buskirk (F.E.A.) on American side and lack of certainty about representation on the Canadian side, no meeting of the Joint War Aid Committee has been possible, but some information has been developed on an informal basis regarding United States

[211] Président, section des Etats-Unis, le Comité conjoint d'aide militaire.
Chairman, United States Section, Joint War Aid Committee.

intentions towards China and other general aspects of the situation which I am bringing to Ottawa in memorandum for Saturday.[214]

2. There are several specific points, however, which require comment meanwhile:

(1) The J.W.A.C. has not been advised of our intention to ship trucks or other vehicles not specifically cleared by the Committee (see schedule attached to minutes of first meeting of August 24th enclosed with despatch No. 2157 of September 18th†), which is, so far as we know, the only indication given to the Americans of the types of equipment to be sent by us.

Admittedly some of this equipment, carriers, lorries, tractors, etc., may be considered as "spares and accessories and maintenance gear" for the 6 pdr and 40 mm. guns, but we had assumed, until receipt of your EX-316 of January 22nd,† that all items being sent to India could be transported by air into China. The American viewpoint at the time the list was cleared was that Canadian shipments within the agreed stockpile maximum definitely should be limited to those items most readily transportable by air. This attitude is confirmed by the Joint War Aid Committee Minutes of the second meeting September 16th (see enclosures to despatch No. 2205 of September 27th† covering the discussions of the 25 pdrs.).

You should note that Taylor[215] and Gaud[216] in agreeing to schedule of supplies for China as approved by Joint War Aid Committee, deleted the following items along with others, from the original Canadian list of July 22nd, 1943†:

Motor vehicles and artillery tractors for above mentioned artillery units—600 tons.

Bren gun carrier, complete with spares and accessories and maintenance spares for 24 months, according to British scale—400 tons.

Small mobile radio units and 4 x 2 cargo trucks, in quantities according to availability. (No tonnage specified).

(2) It is apparent we should now report details furnished in your EX-316 to the Joint War Aid Committee, and not run the risk of being questioned later on a possible discrepancy. We might with some justification claim the motor vehicles were essential as accessory equipment, if it were not for the fact that they comprise such a large portion of the first shipment and that we seem to have reinstated some of the items deleted, as stated above, by agreement and not subsequently approved.

(3) Therefore, in notifying the United States (and possibly also the British) authorities, how are we now to explain the inclusion of such a large tonnage of motor vehicles? We should also be advised of the terms in which shipping

[214] Voir là pièce jointe, le document précédent.
See enclosure, preceding document.

[215] Président, section canadienne, le Comité conjoint d'aide militaire.
Chairman, Canadian Section, Joint War Aid Committee.

[216] Officier militaire des États-Unis pour le Prêt-bail en Chine.
United States Military Lend-Lease Officer in China.

clearance for India was made by London as we have withheld transmission of the breakdown of shipment to ensure that United States and British receive the same information concurrently.

(4) Regarding Peers' discussions with you on December 6th,[217] there has been no pressure brought to bear on us to have Canadian shipments held up, even though the Munitions Assignment Committee here decided on November 20th to withhold shipments of United States supplies pending full report on the stockpile position and port congestion in India. This decision did not suspend immediately United States shipments of items previously assigned and en route to that theatre; it merely ensured that items then being assigned from December production would not be shipped in the two or three following months' period, or at least until the United States War Department had had the chance to investigate.

Therefore advice given Carmichael[218] by Clay[219] is in accordance with the facts.

(5) Referring to paragraphs 10 and 11 of your EX-4909 of December 21st, re Bren guns. We have never been brought into this picture nor have we heard any complaints from the United States side. As representatives of the United States Army Service Forces attend the Ottawa Assignments Committee meetings, they presumably feel they have adequate opportunity to press their case.

(6) Re 3.7"a.a.[220] guns. I understand provision to China of 120 of these has been approved by the Mutual Aid Board. We have so far not been asked by Fraser to clear this item here. We would appreciate particulars, especially in view of the fact that this item was also deleted by agreement here from an earlier list. Ends.

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[217] Voir le volume 9, document 379.
See Volume 9, Document 379.

[218] Coordonnateur de la production et président, la section de la production, ministère des munitions et des approvisionnements.
Co-ordinator of Production and Chairman, Production Branch, Department of Munitions and Supplies.

[219] Chef d'état-major adjoint des États-Unis pour le service en matériel de l'approvisionnement.
Assistant Chief of Staff of United States for Material Service of Supply.

[220] Anti-aircraft.

468. DEA/4929-F-40

Le directeur de l'administration, la Commission d'aide mutuelle au sous-secrétaire d'État adjoint aux Affaires extérieures

Director of Administration, Mutual Aid Board, to Assistant Under-Secretary of State for External Affairs

Ottawa, February 5, 1944

Dear Mr. Wrong,

I phoned you last evening with regard to the question brought up in your memorandum to me of February 4th† regarding teletype WA-653 received from Washington. As I am just leaving for Washington I have not time to go through the files to pick out the exact reference to items in the schedule pertaining to complete equipments. They mention ancillary stores and in all my discussions with the U.S. Army and Munitions Assignment Committee there has never been any question in my mind but that they understood that the items in the Chinese list included ancillary equipment. The trucks, universal carriers and motor vehicles are in direct ratio to the number of guns on the schedule as worked out between the British Army Staff and the Chinese officers. In all our discussions we have taken pains to point out that we are sending complete equipments complete in every detail. I particularly discussed this some months ago with Colonel Haylor, one of General Wright's[221] assistants, when he was in Ottawa, and discussed this point with U.S. officers in Washington, but I will take it up next week in Washington and explain our position.

With regard to Item 6, there was no decision by the Board to supply these 3.7 guns to China. You will recall that it was a production question of where the British have cancelled a number of 3.7 guns and the parts were already at the plant the cancellation charges would amount to approximately $4,000,000, and for an additional estimated $400,000 we could put these parts together and complete 120 of the gun equipments. We subsequently got 20 from the Department of National Defence and only put together 100. These will be in reserve if and when the Joint War Aid Committee decide that Canada should make them available to China. We therefore never requested a clearance of this item by the Joint War Aid Committee but it is an item which I will discuss with the Americans when I am in Washington this coming week.

I am sending this to you in haste but hope it covers the points raised.

Yours very truly,

KARL C. FRASER

[221] Directeur, direction internationale, les forces de service de l'Armée des États-Unis.
Director, International Division, United States Army Service Forces.

469. DEA/4929-F-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1005 Washington, February 19, 1944

SECRET. Following for Wrong from Pearson, Begins: In further reference to your EX-4909 and EX-4910 December 21st† and my WA-653, re supplies for China. For the record it seems desirable to confirm that information given you by Fraser in his letter of February 5th is substantially correct. During his recent visit to Washington Fraser satisfied us that the Americans had been kept informed through the Canadian Munitions Assignment Committee, or as a result of their visits to Ottawa, of the provision by Canada of ancillary equipment including vehicles. In fact, at a recent meeting with War Department officials here the Canadian policy of furnishing spares and complete ancillary equipment was commended.

It should, however, be explained that these officials did not include Colonel Gaud who was the officer most concerned with this matter at the beginning. He is now in Chungking.

The British Staff people in Washington are far more uneasy about this matter than the Americans. They think that we really had no business sending this mechanical transport to India for the Chinese when we should have known very well that it would not reach its destination possibly for years. They feel that our action could in no way be said to be helpful to the general prosecution of the war, especially at present when the congestion in Indian ports and on the railroads was embarrassing to a degree. I believe the British Joint Staff people here may advise London as to the situation to see if any influence could be brought to bear on us from there to cease, as they would put it, wasting our material in this manner.

As regards the 3.7 A.A. guns, this item, to our knowledge, was not discussed with the Americans during Fraser's recent visit. Providing we are properly briefed in advance the question of our supplying could be raised at the next Joint War Aid Committee meeting if necessary. This is provisionally scheduled for February 28th. Allen has written Fraser requesting complete details on this subject as well as guidance on the advisability of necessity [*sic*] of extending the Indian stockpile limit. In addition, I suggest we be provided with a detailed breakdown by items (quantity and tonnage) of any further shipments scheduled for the Chinese up to the existing stockpile maximum. Ends.

470. DEA/4929-F-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, March 2, 1944

The Mutual Aid Board yesterday had before it the enclosed memorandum prepared by Wrong suggesting the need for reviewing the policy of sending further munitions to China under Mutual Aid. Mr. Howe proposed, with the concurrence of Mr. St. Laurent and Mr. Gardiner (the only other members of the Board present), that the question should be submitted to you for your views before a final decision was taken. The Board agreed to permit the assembly of a second shipment of munitions which would be ready to leave by the end of May but instructed the Director of Administration not to make any shipping arrangements until the Board had considered the matter again. It would be possible to hold this consignment in Canada until there is some evidence that the stores now en route to India can be moved into Chinese territory. If they were held in Canada, we could divert them to other destinations. Once they are unloaded in India they become the property of the Chinese Government.

There has been a great deal of difficulty and confusion over the supply of munitions to China. Dr. Soong and officers of China Defence Supplies have been most vigorous in pressing their claims. The guns which we have sent to them are said to be surplus to requirements for ourselves or other countries and we could also supply from surplus stocks heavier guns, both 25 pounders and 3.7 A.A. guns. Some of the equipment going with the guns, including the range-finders and radio equipment, is not from surplus stocks and I imagine that the ammunition could be directed to other destinations where it would be more likely to be used. The British Army Staff in Washington have raised very strong objections to our provision of motor transport to the Chinese based on the two grounds that this will merely deteriorate in overcrowded depots in India and that motor transport is in short supply. The Mutual Aid Administration maintains that the motor transport which has been shipped is not in short supply.

I think that we might request the Chairman of the Canadian Joint Staff Mission in Washington to raise with the Combined Chiefs of Staff the question of the strategic need for these supplies. This is after all the fundamental question under the Mutual Aid Act. The sort of clearance which has taken place with the U.S. members of the Joint War Aid Committee in Washington does not seem to me to be a satisfactory determination of strategic need. If the result of this enquiry indicates that we should discontinue the provision of munitions we should then investigate other possible means of aiding China by the provision of supplies under Mutual Aid.

Mr. Howe at the meeting of the Board mentioned your discussions with Dr. Soong and Madam Chiang Kai-shek[222] and it was because of this that he asked Wrong to see that the question was submitted to you before further action was taken.[223]

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

SECRET Ottawa, February 29, 1944

C.M.A.B. DOCUMENT NO. 54

MUTUAL AID FOR CHINA

1. For the reasons set forth below, it is suggested that Canadian policy for the provision of munitions to China should be re-examined, and that the Mutual Aid Board should consider the following questions:

(a) Is the provision to China of further munitions warranted under the Mutual Aid Act, which requires the distribution of war supplies in accordance with strategic need?

(b) If this question is answered in the negative, are there other grounds which would warrant further shipments, such as the creation of goodwill towards Canada and general considerations of external policy? If so, does the Mutual Aid Act permit the provision of supplies on these grounds?

(c) Although a large balance is outstanding from the original Canadian offer to China, have conditions changed since the offer was made to an extent which would warrant its review? Especially, would we be justified in making no further shipments until we receive some evidence that the stores now en route are likely to be employed in the war against Japan?

(d) If it is decided to continue to ship ordnance and small arms under the original offer, should we continue to ship with them motor vehicles needed for use in other theatres?

2. The first shipments of Canadian munitions to China under Mutual Aid are now at sea. They consist of 5,490 tons of artillery, automatic small arms, vehicles and ammunition, including 108 6 pounder guns, 48 Bofors A.A. guns, 644 trucks, tractors and other vehicles, 7000 Sten and 5,700 Bren machine guns and 2,220 tons of ammunition for the artillery and Sten guns.

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[222]Ces discussions ont eu lieu pendant la visite du docteur Soong à Ottawa, du 28 février au 1er mars 1942 et la visite de Madame Chang Kai-chek, du 15 au 17 juin 1943.
These discussions took place during Dr. Soong's visit to Ottawa from February 28 to March 1, 1942, and Madam Chiang Kai-shek's visit, June 15 to 17, 1943.

[223]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
I agree with what is set forth on p. 1,[224] this memo. W. L. M[ACKENZIE] K[ING] 3-2-44.

[224]Les trois premiers paragraphes.
The first three paragraphs.

3. At Chinese request the munitions will be unloaded at Karachi. This is the base for the proposed north-west highway to China, the route for which runs through eastern Iran into Soviet territory and thence eastward to China across Sinkiang. The latest information is that the Russians and Chinese have not succeeded in reaching agreement for the operation of this route, and that the United States are considering the withdrawal of 1,200 heavy trucks given to the Chinese and 2,400 trucks given to the Russians for use on it. The prospects, therefore, seem to be that the Canadian munitions will remain indefinitely in store at Karachi. Once landed they can only be diverted to other uses with the consent of the Chinese Government, since they become Chinese property on delivery.

4. The shipment of these supplies to Karachi instead of to Calcutta as originally expected indicates that the Chinese do not intend to attempt to fly any of the stores into China from India. It also indicates that the stores will not move into China over the Ledo road from Assam into Burma and thence to China if this route is opened successfully; it is now under construction and if all goes well might carry traffic before the end of 1944. As for air transportation the most recent information is that an average of not more than 1,000 tons per month will be carried this year into China for the use of Chinese forces. The chief demand on space is for maintenance of the United States-Chinese Air Forces in China, and this is currently taking around 90% of cargo capacity. This demand will increase, since the United States is expanding both their own Air Force in China and the Chinese Air Force.

5. The United States Government is providing equipment for 30 Chinese divisions, to be trained in India. This is equivalent to equipment for 15 U.S. divisions. Huge stock piles have already accumulated in India, and it seems to be generally agreed that the size of these is entirely out of line with transport possibilities.

6. We have agreed with the United States that Canada will not maintain a stock pile in India of munitions for China in excess of 12,500 tons. We offered to supply the Chinese last August with the following munitions in addition to those mentioned in paragraph 1:

252 additional 6 pounder guns,
48 25 pounder guns,
55,000 additional Sten machine guns,
14,300 additional Bren guns,
180,000 Browning pistols,
50,000 binoculars
2,000 rangefinders, together with ancillary equipment, ammunition, etc.

7. The total weight of the munitions offered at that time, according to a list received on August 18th from the Mutual Aid Administration was 13,151 tons. No allowance was made on this list for the weight of motor vehicles which were not shown on it. The motor transport just shipped to India, however, weighs 2,380 tons. If transport on the same scale were to accompany the remainder of the artillery, the total weight of our offer would be far in excess of 12,500 tons. At the meetings of the Board and Joint War Aid Committee and in the correspondence exchanged when our offer was being made there were constant

references to the restriction of our supplies to China to munitions that could be moved by air. Because of this, we disappointed Dr. Soong by cutting out from our offer 25 pounder and 3.7 A.A. guns which he was very anxious to obtain.

8. The British Army Staff in Washington have raised strong objections to the shipment by Canada of motor transport to India for China. The United States authorities have not taken the same line; indeed, they are shipping equipment on a much greater scale. The British view seems to be that the wasteful despatch of American equipment makes it all the more desirable that Canada should not follow a bad example, especially in the case of motor vehicles which are in short supply.

9. The despatch of Canadian munitions to China was arranged following long continued pressure from Dr. T. V. Soong, then Chinese Foreign Minister residing in Washington. Dr. Soong has now returned to China and has been deprived of his functions as Foreign Minister, head of China Defence Supplies and President of the Bank of China as a result of differences with Chiang Kai-Shek.

10. The Canadian Minister in Chungking has advocated that such assistance as Canada can give to China should take other forms, notably the provision of medical supplies and personnel, arrangements for technical training of Chinese students, establishment of a Canadian Air Transport Service into China and, if possible the despatch of a Canadian contingent. Dr. Penfield[225] and other Canadians who have recently been in China maintain that medical assistance in various forms is the most crying need.

11. Reports received from many sources support the view that the delivery of munitions to Chinese military representatives in India is not likely to hasten the defeat of Japan. (The lavish American shipments remain under control of General Stilwell). Apart from the reasons already indicated, the state of confusion, corruption and inefficiency now rampant in China, the virtual cessation of active operation against the Japanese forces, and the inclination of many influential Chinese to regard the Chinese communist armies as the greatest menace, are general factors to be taken into account in deciding what more should be done in extending Mutual Aid to China.

H. W[RONG]

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[225] Directeur, Institut de neurologie de Montréal.
Director, Montreal Neurological Institute.

471. DEA/4929-F-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, March 10, 1944

I recently sent you a note on Mutual Aid supplies for China, together with a memorandum which had been referred to you for your opinion at the request of the Mutual Aid Board. One or two further items of information on this subject have now come to hand.

We have learnt from Washington that the project for a northwest highway to China based on Karachi and running through Persian and Soviet territory has definitely fallen through. The United States has transferred to their own forces in India 3,600 trucks allotted for use on this highway. Our advice is that while it might be possible for the Chinese to move a trickle of supplies by this route as a result of local arrangements with Soviet authorities it has disappeared as a project for regular transportation of munitions into China. Even if the Soviet Government were ready to lend its full cooperation there are long stretches along the route which are almost impassable.

In the memorandum before the Mutual Aid Board the weight of the supplies now at sea en route to Karachi was given as 5,490 tons. I find that the actual shipping weight was 6,033 long tons.

So far as I can judge from our Departmental records there was throughout an understanding that the provision of any munitions to China was contingent on the development of adequate means of transportation into China.

472. DEA/4929-F-40

Mémorandum de la troisième direction politique au sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Third Political Division to Assistant Under-Secretary of State for External Affairs

SECRET [Ottawa,] March 14, 1944

CANADIAN MUTUAL AID FOR CHINA

I have read with interest your C.M.A.B. Document No. 54, *Mutual Aid for China*, and have taken the time to read through file 4929-F-40C, *Supplies for China Under Canadian Mutual Aid Act*. The story is an intensely interesting, if at times elusive one. I fully agree with your suggestion that our policy needs re-examination at this time. May I set down certain observations that have occurred to a mind quite innocent of the whole subject on reading the file for the first time.

1. Our first two shiploads of war materials (including gift of wheat for Eastern India) are consigned to the Chinese Ordnance Officer, Karachi. As stated in paragraph 3 of your memorandum the supplies, once landed, become Chinese property and we have no further control over their disposition.

2. All United States war supplies for China are consigned to General Stilwell who is charged with seeing that they are effectively employed against the Japanese enemy. Canadian war equipment, ready for immediate use, will be the only such equipment over which the Chinese have full control to employ as they see fit, as I understand no British or Russian war supplies are being made available to the Chinese at present.

3. Since the Chinese have requested us to land the supplies at Karachi they are not likely to wish to send them into China by air or the Burma Road, when opened. The only alternative is the Sinkiang route. Our information is that the Russians are stalling Chinese plans to open this route. We could check on this again in Moscow, Chungking, London and Washington. One reason that might be advanced for Russian hesitancy in opening this route to war supplies for China (apart from correctness to Japan) is that they may fear that such war supplies may be held up in south Shensi where they would be used as a threat, if not in actual operations, by General Hu Tsung-nan's armies which are presently blockading the Chinese Communist area.

4. If this thesis is developed further it might be argued that with General Stilwell controlling American war supplies arriving in Southwest China, certain elements in the Chinese Army and Government might be very glad to have this Canadian artillery, ready for use with trucks, spares and ammunition, without any strings attached, in the Northwest to deploy against the Communists. The possibility of Canadian Mutual Aid supplies being used as the principal Central Government heavy equipment in a civil war against the lightly armed Communist troops is fraught with grave consequences for the future of Sino-Canadian relations.

5. If considered desirable, these supplies might still be deflected to Eastern India and placed in care of General Stilwell.

6. By giving careful consideration to the possible outcome of our present gift, we need not abandon the whole program of Canadian Mutual Aid for China. Japan is still the enemy and China the principal base from which the attack must be launched. But we should give more consideration to the political implications of our gifts as the United States and the United Kingdom do. I would suggest the following procedure as a basis for discussion:

(a) We need to follow up our equipment to see that it is effectively used by the Chinese against the Japanese. This might be done by sending a few Canadian Ordnance Officers with it to supervise unloading, assembly, train Chinese troops in its use, report on its effectiveness, etc., or better:

(b) We might well consign our supplies to General Stilwell, who controls air transport into China (and would, therefore, have an interest in moving our supplies), makes the distribution of United States equipment in China, and follows it up by sending United States combat teams to the front with the

equipment to see it used. A Canadian Military Mission (Odlum might head this at first) might be attached to General Stilwell's staff to assist him in seeing that this Canadian equipment is effectively used.

(c) In Naval Message of October 1st from Washington[†] reference was made to the possible establishment of a United Kingdom-United States-China "China Goods Transit Board" in India and it was suggested that Canadian participation would be helpful. This suggestion would seem to have much merit, as it would in this way be possible to ascertain from our own representative (Perhaps use T. & C.'s Sykes now in Bombay) just what the transportation situation is in India.

7. Canada has no logical geographical sector in which to operate in the Pacific war, as is the case with all of the other participating powers. Our corner of the Northeast Pacific is screened off from the enemy by a United States defense curtain dropped from Adak and Dutch Harbour in the Aleutians to Pearl Harbour in Hawaii. In reviewing the possibilities of a Canadian contribution toward the winning of the war in the Pacific, one returns to the thought that the provision of munitions and supplies under the Mutual Aid Act is perhaps the major contribution we can make.

8. If air transport into China is the principal bottleneck at the present time, it would not be unreasonable to consider whether Canada could be of assistance in relieving this situation by supplying transport planes and expanding ground facilities in co-operation with General Stilwell as suggested in 6.(b) above. We have the aircrew and groundcrew. If we lack the transport planes, consideration might be given to the possibility of expanding the production in Canada of this type of aircraft which would be useful in commercial operations after the war.

A. R. M[ENZIES]

473. W.L.M.K./Vol. 363

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier Ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, March 17, 1944

You have before you a memorandum of March 3rd [2nd] covering a memorandum on munitions for China on which the Mutual Aid Board wished to have an expression of your views. The question is likely to come up again at a meeting next week of the Mutual Aid Board.

One point was perhaps not made as definitely as it should be in these papers. The Canadian supplies will be delivered at Karachi to the representative there of the Chinese Government and they become from that time Chinese property. These stores cannot, therefore, be requisitioned for other use except with the consent of the Chinese Government although I think it not impossible that if they were badly needed by Lord Louis Mountbatten the military authorities in

India might ignore the technicalities. The supplies going from the United States to India for Chinese use remain the property of the United States and are all consigned to General Stilwell and not to the Chinese. They can, therefore, be diverted as the need arises; and the Army equipment is intended in any event to be used by the Chinese forces training in India under Stilwell's command.

The papers sent to you on March 2nd gave the reasons for doubting whether these supplies could get to China within a reasonable time. Apart from the transportation problem, however, there are high questions of policy concerning the use to which the Chinese might put them if they do arrive in China. It is true that they will be technically obligated by the Mutual Aid Agreement which they are about to sign to employ them in the joint and effective prosecution of the war, but we would have no means of preventing their use against the Communist forces in Northwestern China and there would be a strong temptation in certain quarters in Chungking to do this. If delivered in China the Canadian supplies will be the only modern equipment ready for use and complete which the Chungking Government will have at its sole disposal without any strings. If they were used against the Communists (who are said to be quite lacking in artillery and to be short of automatic weapons) we should find ourselves in the unfortunate position of aiding one side in a Chinese civil war in a manner which would be strongly resented by the Soviet Government.

I am wondering, therefore, whether this aspect of Mutual Aid does not contain such serious political problems as to deserve examination with the State Department and Foreign Office.

N. A. R[OBERTSON]

474. W.L.M.K./Vol. 363

Mémorandum du cabinet du Premier ministre au sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Office of the Prime Minister to Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, March 22, 1944

RE: MUTUAL AID - SUPPLIES TO CHINA

I have had a third discussion with the Prime Minister on this subject and, as you will see from papers returned to the Department today, he has approved:

(1) of the substance of your note of March 2nd;

(2) of an inquiry being made, as suggested, through the State Department and the Foreign Office.

On a previous occasion, Mr. King told me that he had never given an undertaking to Dr. Soong that any particular kind of munitions or supplies would be furnished. He had made it clear that the governing condition must be the strategic need of the materials involved. He certainly still holds to this view.

On reviewing the papers this morning, Mr. King added he thought there was now a clear case for reviewing all the arrangements involving the sending of military supplies to China via India.

J. A. GIBSON

475. DEA/4929-F-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Chine

Secretary of State for External Affairs to Ambassador in China

TELEGRAM 57 Ottawa, March 24, 1944

Mutual Aid Agreement with China was signed March 22nd and tabled in Parliament today.[226] It is identical in substance with Agreement with United Kingdom,[227] copy of which was enclosed with my despatch No. 29 of February 21st.†

476. DEA/4929-F-40

Le sous-secrétaire d'État aux Affaires extérieures au président, le Comité des chefs d'état-major

Under-Secretary of State for External Affairs to Chairman, Chiefs of Staff Committee

MOST SECRET Ottawa, March 29, 1944

Dear Air Marshal Leckie,

It is desired that enquiries should be instituted, through the Canadian Joint Staff in Washington, with the Combined Chiefs of Staff, in order to clarify the question of the strategic essentiality of the provision of munitions to the Chinese Government by Canada under the Mutual Aid Act. Major-General Pope is already familiar with the problems involved through his membership of the Washington Advisory Mutual Aid Committee and the Joint War Aid Committee, United States and Canada.

I enclose a copy of memorandum dated February 29th,[228] which has been considered by the Mutual Aid Board. In view of the questions of foreign policy involved, the Board referred the matter to the Prime Minister for his opinion. In the meantime, the Board instructed its Director of Administration, as a temporary measure, to assemble in Canada the items which it was expected to

[226] Voir Canada, *Recueil des traités*, 1944, N° 9.
See Canada, *Treaty Series*, 1944, No. 9.

[227] Ibid., N° 3.
Ibid., No. 3.

[228] Voir la pièce jointe, document 470.
See enclosure, Document 470.

include in the next shipment for China, but to make no shipping arrangements without further instructions.

Later information makes necessary the correction of one or two points mentioned in this memorandum. The actual weight of the shipments of munitions now at sea is 6,033 long tons and not 5,490 tons. Information has been received that the negotiations between the Chinese and the Soviet Governments for the opening of an overland route to China from Karachi, through Iran, Soviet Asia and Sinkiang, have made no progress; the Canadian Ambassador in Moscow was informed, on March 22nd, by the Chinese Ambassador that trucks loaded with supplies for China were being returned to India from the Iranian-Soviet border.

The Prime Minister has authorized the question of the strategic need of these supplies to be taken up with the Combined Chiefs of Staff. He has also approved an approach to the Foreign Office in London and the State Department in Washington, in order to secure further information on the political questions involved. Instructions in this sense are being sent to the Canadian High Commissioner in London and the Canadian Ambassador in Washington.†

I attach a list† prepared by the Mutual Aid Administration which shows the commodities for which requisitions have been placed in Canada on Chinese account.† This includes the stores comprised in the first shipment, the volume of which is given in paragraph 2 of the enclosed memorandum. I also attach, however, a more detailed list of the stores in this shipment.† With reference to this list I understand that the bofors and six pounder guns have been furnished complete in every detail and the list does not show the ancillary stores, equipment and spares sent with the guns.

It is desirable that a final decision on the future programme of supplies for China should be reached as soon as possible, since production of the munitions offered to China is now proceeding in Canada. If these are not sent to India for China, other uses must be found for some of them and some orders will have to be cancelled. I should, therefore, be grateful if instructions could be sent to the Joint Staff Mission to explore the position as soon as possible.

Yours sincerely,

N. A. ROBERTSON

477. DEA/4929-F-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 588 Ottawa, April 3, 1944

MOST SECRET. 1. Reports received from the Canadian Ambassador in Chungking give so black an account of internal conditions in China as to

suggest that the Central Government may disintegrate. They also indicate that little is being done by Chinese forces in China to prosecute the war against Japan and that there is constant pre-occupation in Government circles over the threat to their position of the Chinese Communist armies.

2. We shipped late in February the first consignment under the Mutual Aid Act of Canadian munitions for China, the chief components being 48 bofors guns and 108 6 pound anti-tank guns as complete batteries with all ancillary equipment, ammunition and motor transport, together with 7000 Sten and 5,700 Bren guns. Another shipment is being assembled for possible loading in May or June, and substantial orders for further artillery of various types and for automatic weapons are now in production. These munitions are being shipped at Chinese request to the Senior Chinese Ordnance Officer at Karachi. On delivery there title will be transferred to the Chinese Government.

3. We are aware that Chinese negotiations with the Soviet Government for the development of the over-land route from Karachi to China through Sinkiang have been suspended, and we have no information on Chinese intentions for moving the munitions from Karachi. We understand that virtually all the Army equipment which is being sent by the United States to India for China is consigned to General Stilwell, who is charged with seeing that it is sent where it can be used effectively against Japan. The Canadian equipment, complete and ready for use, may be the only ordnance over which the Chinese Government has full control after its unloading in India. The guns requested by China are not in short supply although there are certain shortages of ancillary equipment and motor transport. The guns, therefore, are not urgently needed for use by other forces against the enemy.

4. All Canadian supplies made available under the Mutual Aid Act must be furnished "in accordance with the strategic needs of the war." We are consulting the Combined Chiefs of Staff in Washington through the Canadian Joint Staff on the desirability on strategic grounds of continuing the shipments. The items included in the first consignment and a further programme for future shipment have been cleared with the United States authorities through the Joint War Aid Committee, United States and Canada.

5. We consider, however, that other than strategic considerations are involved in this matter, and we should be glad if you would informally secure from the Foreign Office an indication of their views on the advisability, on general grounds of policy, of continuing deliveries. We are instructing the Canadian Ambassador in Washington to make a similar approach to the Department of State. The Chinese Government has pressed us for provision of these munitions and there would be some embarrassment in reducing or discontinuing our program.

6. As a temporary measure we are assembling the components of the next shipment without making shipping arrangements. We do not wish to add to Chinese stockpiles in India until we are better satisfied that the first shipment now at sea will be employed "in the joint and effective prosecution of the war" as required by the Mutual Aid Act.

7. An early reply would be appreciated.

478. DEA/4929-F-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 766 London, April 5, 1944

MOST SECRET. Your telegram No. 588 of April 3rd. Following informal and confidential views have been supplied by Mr. H. Ashley Clarke, head of the Far Eastern Division of the Foreign Office.

2. So far as the possibility of a disintegration of the Chinese Central Government is concerned, the Foreign Office do not consider that such a development is likely to occur for the following reasons:

(a) Although the situation as regards inflation is undoubtedly getting more and more out of hand, they consider that if economic collapse was coming in China it would have happened before now as by western standards the whole financial structure has been thoroughly unsound for the last six years.

(b) They do not think it likely that General Chiang Kai-shek would precipitate serious civil war with the Communists, at any rate while the struggle with Japan is still in progress. There will, no doubt, be local forays but they think that the Generalissimo realises that a full-scale attempt to liquidate the Communists would alienate opinion among China's allies, particularly in the United States.

(c) They do not consider that a revolt against General Chiang Kai-shek has any chance of success, both because of his hold over the esteem of the Chinese people and also because of the dependence of so many Chinese officials on the machine built up by Finance Minister Kung and the Chief of Police, both of whom are whole-heartedly devoted to the Generalissimo. They take the view that "nothing in China is ever as bad or as good as it seems."

They had received very depressing reports from China last autumn, and they understand that at that time many well-informed observers believed that the régime was on the verge of immediate collapse, but the structure held together.

3. So far as the problem of the continuance of mutual aid is concerned, they point out that the United Kingdom is continuing Lend-Lease supplies to China, and for your confidential information are on the point of concluding, after long negotiations, the Agreement for a loan of £50,000,000 to China on terms originally suggested by the United Kingdom Government, i.e., that it would have to be limited to the sterling area. They hope that this loan will have some moral value in checking inflation, although they are somewhat dubious as to its practical value in this connection.

4. The Foreign Office view, therefore, is in favour of continuance of Canadian mutual aid deliveries to China on general grounds of policy. They

consider, however, that these political considerations must be subject to the decision of the Combined Chiefs of Staff as to the desirability, on strategic grounds, of continuing the shipments. Ends.

MASSEY

479. DEA/4929-F-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2195 Washington, April 11, 1944

Your EX-1427, April 3rd.[229] Canadian munitions for China. Yesterday I left with John Carter Vincent of the Far Eastern Division of the State Department a memorandum† in the terms of Wrong's teletype EX-1465 of April 5th.† I also had a short discussion with him and Hickerson about the problem. The State Department also is worried about the Chungking situation but not, I gather, as deeply as General Odlum is. In any event there is not any immediate prospect of this worry bringing about a change of policy in respect of aid to China. They are, however, discussing a procedure by which the title of goods lend-leased to China should not actually be transferred to the Chinese until such transfer is cleared with the United States military authorities in Chungking and India. They will attempt to make this procedure retroactive in respect of United States goods which are already in India but admit they may have some difficulty on this point. Vincent thought that we would be well advised to adopt this course ourselves. Hickerson is somewhat worried lest any change in our policy to China would be interpreted by the Chinese as the result of United States pressure on us. Vincent will examine my memorandum and will get in touch with me later concerning it. Ends.

480. DEA/4929-F-40

Le président, la mission canadienne conjointe des états-majors, Washington, au président, le Comité des chefs d'état-major

Chairman, Canadian Joint Staff Mission, Washington, to Chairman, Chiefs of Staff Committee

TELEGRAM JS 73 Washington, May 15, 1944

IMPORTANT. SECRET. COS Ottawa. My JS 58 8 April.†

1. Mutual Aid to China. Text of reply received today from CCOS, Begins: The Combined Chiefs of Staff have considered your letter of 7 April 1944† asking their views as to the strategic essentiality and of the feasibility of the

[229]Ce télétype répétait le texte du document 477.
This teletype repeated the text in Document 477.

continued delivery of Canadian war supplies to China. From the strategic point of view, it is desirable that China should be supplied with all the war equipment which can be made available and which can be transported to her up to the maximum she can employ in the common war effort against Japan. Unfortunately, however, at the present time it is impossible to deliver to China anything in the nature of heavy equipment, and light equipment can only be delivered in such quantities as can be included in the air line over the Himalayas by the Air Transport Command and China National Airways Corporation. At the present moment there appears to be no immediate prospect of opening a land route into China and little prospect of any large increase in the air lift over the Himalayas. The Combined Chiefs of Staff therefore suggest a temporary suspension of shipments under the Canadian Mutual Aid program, except for such items of small equipment which, by prior agreement with the Joint War Aid Committee, it appears probable can be included for air shipment by the Air Transport Command or the Chinese National Airways Corporation and which can be made available without detriment to the requirements of other theatres which may have higher priority. Sincerely yours, for the Combined Chiefs of Staff. (Sgd) A. J. McFarland (Sgd) R. D. Coleridge, Combined Secretariat.

481. DEA/4929-F-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-2112 Ottawa, May 20, 1944

IMMEDIATE. SECRET. Following for Pearson from Wrong, Begins: Mutual Aid Board yesterday afternoon considered question of despatch of further military supplies to China in light of the answer of the Combined Chiefs of Staff. The point under discussion was whether the second shipment of approximately 5,000 tons, which is now assembled and ready for despatch at Longue Pointe depot, should go forward. The Chinese Ambassador saw me on Thursday to ask about the reasons for delay in making this shipment and General Kiang[240] also took the matter up at length with Mr. Ralston.

The decision of the Board, after discussion, was that this shipment should go forward at once and that it should be regarded as the final shipment, at least until conditions change, except possibly for small consignments for carriage by air. It was stated that much of the equipment in this shipment was specially manufactured for Chinese use and could not be employed elsewhere.

I told the Board that, in my view, the proper interpretation to be placed on the opinion of the Combined Chiefs of Staff was that no further shipments

[240] Chef, Agence des approvisionnements de guerre du gouvernement de Chine, Ottawa.
Chief, Chinese Government War Supplies Agency, Ottawa.

should leave Canada, except after a fresh clearance (limited to items of small equipment) through the Joint War Aid Committee. The opinion was expressed that adequate clearance had already been given to this whole consignment which, incidentally, includes some 3,700 tons of trucks. (I understand that you or Allen has received a list of the components of the shipment but I shall try to send you a revised list which Fraser has promised me.)

I suggested to the Board that, in any case, orders to move this consignment should not be issued until General Pope, yourself and the other members of the Washington Advisory Committee had been consulted, and commented that I feared there might be repercussions on our working relations with the Combined Chiefs of Staff and the American side of the Joint War Aid Committee. A majority of the Board, however, approved the taking of steps to despatch the goods as soon as possible. I was authorized to inform you, at once, and I should welcome your comments and those of General Pope particularly.

A single shipload of munitions for China is not a matter of much moment and if, by letting it go, we can get clear of the business until transportation is assured, that will be a substantial relief. My chief concern is whether, having sought the views of the C.C.O.S., we shall now be regarded as acting against their opinion. Ends.

482. DEA/4929-F-40

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

SECRET [Ottawa,] May 22, 1944

Mr. Pearson telephoned from Washington this morning to say that the Washington Mutual Aid Advisory Committee met today to consider the effect of the decision of the Canadian Mutual Aid Board to send a further shipload of munitions to China. He told me that the unanimous opinion of the Advisory Committee was that this action would cause serious complications with the Combined Chiefs of Staff. The CCOS had been requested by us to give an opinion on the strategic essentiality of our providing China with further munitions. They had recommended that only items which could be easily transported by air and were likely to secure air transportation should be despatched following clearance through the Joint War Aid Committee. The Advisory Committee felt sure that this recommendation could not be regarded as covering the despatch of artillery and motor transport. Mr. Pearson said that he would report officially on the opinion of the meeting but he wished first to secure a complete list of the items to be included in the shipment. (Mr. Fraser was in error in thinking that he had sent such a list to Washington.) It probably contained some supplies which could be sent forward at once under the CCOS's decision without causing any difficulty. Such items would be (1)

equipment furnished by Canada to complement U.S. supplies to China and (2) small items of equipment likely to be carried in by air.

I have asked Mr. Pierce to try to get from the Mutual Aid Administration the full list of the shipment so that we may teletype it today to Washington. Mr. Heeney considers that the question should be taken up in the War Committee at its next meeting on the basis of the report of the Washington Committee when it is received.

H. W[RONG]

483. DEA/4929-F-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-3156 Washington, May 23, 1944

IMMEDIATE. SECRET. Following for Wrong from Pearson, Begins: Your EX-2112, May 20th, military supplies for China. General Pope has just sent me the following message, Begins: "As agreed, this afternoon I informally acquainted Sir John Dill and MacReady[211] with the subject matter of Mr. Wrong's message to you, External-2112 of 20th May.

Both were definitely of opinion that, having so recently sought the advice of the Combined Chiefs of Staff in the matter of Canadian Mutual Aid to China, it would be most unwise on our part to proceed with this proposed second shipment without further reference to Washington, i.e. the Joint War Aid Committee. MacReady was further of opinion that, as this was proposed to be our last shipment until a road to China has been opened, a favourable reaction might be expected.

I need hardly add that I entirely agree with the foregoing. I would add, however, that I believe Ottawa to be in error when it expresses the opinion that adequate clearance had already been given to this whole consignment. The Combined Chiefs of Staff letter of the 14th May[212] unmistakably rescinds the clearance previously given and in this there was no mention whatever of mechanical transport." Ends.

Having secured the above opinion from the British side of the Combined Chiefs of Staff, I think we should take the matter up at once informally with the United States members of the Joint War Aid Committee prior to convening a meeting. It may not, however, be easy to get their opinion until we receive the complete list of materials referred to in your EX-2147 of May 22nd.† Ends.

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[211] Chef, état-major de l'Armée britannique, Washington.
Chief, British Army Staff, Washington.

[212] Voir le document 480.
See Document 480.

484. W.L.M.K./Vol. 363

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, May 23, 1944

I think it might be useful if you were to mention in the War Committee tomorrow an immediate matter concerning the shipment of further munitions to China. You will remember that, after discussion in the Mutual Aid Board last March, the question of continuing shipments to China was referred to you by the Board for consideration and you agreed that the Canadian Joint Staff in Washington should ask the Combined Chiefs of Staff for their opinion on the strategic essentiality of carrying out the balance of the programme for the supply of weapons to China. The Canadian Joint Staff submitted the question to the Combined Chiefs of Staff on April 7th together with a list of the munitions for which orders had been placed in Canada with the intention of delivery to China.

The opinion of the Combined Chiefs of Staff was dated May 14th. It stated that from the strategic point of view it was desirable that China should receive all the war equipment that could be made available and that could be transported, up to the maximum her forces could employ. The opinion continued as follows:

"Unfortunately, however, at the present time it is impossible to deliver to China anything in the nature of heavy equipment, and light equipment can only be delivered in such quantities as can be included in the air line over the Himalayas by the Air Transport Command, and China National Airways Corporation. At the present moment there appears to be no immediate prospect of opening a land route into China and little prospect of any large increase in the air lift over the Himalayas. The Combined Chiefs of Staff therefore suggest a temporary suspension of shipments under the Canadian Mutual Aid program, except for such items of small equipment which, by prior agreement with the Joint War Aid Committee, it appears probable can be included for air shipment by the Air Transport Command or the Chinese National Airways Corporation and which can be made available without detriment to the requirements of other theatres which may have higher priority."

The Mutual Aid Board at its last meeting on May 19th discussed what should be done, in the light of this opinion, with the munitions which have accumulated at the Longue Pointe depot for China amounting to a single shipload of something over 5000 tons. The Chinese have been pressing insistently for them to be shipped. The discussion in the Mutual Aid Board is described in the attached message, EX-2112 of May 20th, from Wrong to Pearson. Pearson telephoned yesterday to say that the Washington Mutual Aid Advisory Committee (which includes Mr. Bateman, General Pope, Mr. Plumptre and himself) had considered this communication and were

unanimously of the opinion that the shipment should not go forward without further clearance in Washington. The Committee agreed that General Pope should discuss the matter informally with Sir John Dill and General MacReady. The attached message from him (WA-3156 of May 23rd) quotes a report from General Pope that both Sir John Dill and General MacReady felt that "it would be most unwise on our part to proceed with this proposed second shipment without further reference to Washington."

I believe that the Mutual Aid Administration is taking steps to move the shipment as soon as possible. I suggest that you might propose in the War Committee that the Mutual Aid Board should reconsider the position in the light of the report from Washington in the very near future. It looks quite probable that the verdict will be for the shipment to go forward with the concurrence of the military authorities in Washington, but it certainly seems desirable that their concurrence should be sought as otherwise our relationship with them may be seriously prejudiced.

N. A. R[OBERTSON]

485. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, May 24, 1944

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MUTUAL AID; CANADIAN MILITARY SUPPLIES FOR CHINA

28. THE PRIME MINISTER enquired as to the position regarding further Mutual Aid supplies for China.

He had understood that, subsequent to a recent decision on the subject by the Mutual Aid Board, further word had been received from Washington which appeared to warrant reconsideration of the matter by the Board.

29. THE MINISTER OF MUNITIONS AND SUPPLY said that the Board had not felt that the opinion received from the Combined Chiefs of Staff affected the situation with respect to supplies now assembled and ready for shipment.

The only question had been whether this (second) shipload should include mechanical transport. It had been decided to proceed with the shipment as previously planned.

30. THE MINISTER OF NATIONAL DEFENCE drew attention to the fact that the opinion of the Combined Chiefs of Staff had been categorical in its statement of strategic need. The feasibility, under present conditions of transport from India, of getting heavy equipment into the hands of Chinese forces had been the only difficulty. In the circumstances, the Board had felt justified in approving despatch of the second shipload, the essential item in which was six-pounder equipments.

31. THE WAR COMMITTEE, after further discussion, agreed that the second shipment referred to by Mr. Howe should go forward, but that, for the present, no further commitments for military supplies to China should be made, the Combined Chiefs of Staff to be informed that the Canadian government understood that this course fell within their expression of opinion from the strategic point of view.

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486. DEA/4929-F-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-2189 Ottawa, May 25, 1944

SECRET. For Immediate Action. Following for Pearson from Wrong, Begins:

1. Your WA-3156 of May 23rd. Military Supplies for China. The situation with respect to the despatch to India of the second shipment of Canadian munitions was discussed by the War Committee yesterday. The decision reached was that the Combined Chiefs of Staff should be informed immediately that this shipment (the content of which is being sent in a separate message)[†] was going forward to complete our present commitments to the Chinese; and that, in view of the previous clearance in Washington of the items in the shipment, its despatch should not be regarded as in conflict with the opinion given by the Combined Chiefs of Staff on the strategic essentiality of our munitions programme for China.

2. The most convenient and expeditious method of informing those concerned of this decision may be for the Joint War Aid Committee to hold a meeting at as early a date as possible, but we would be guided by the opinion of the members of the Mutual Aid Advisory Committee on the most suitable procedure to adopt. Whatever course may be followed, it can be made clear that no further shipments of munitions after this consignment will be despatched to India for China except after discussion in Washington through the established channells. Ends.

487. DEA/4929-F-40

Le ministre des Munitions et des Approvisionnements au
sous-secrétaire d'État adjoint aux Affaires extérieures

Minister of Minitions and Supply to Assistant
Under-Secretary of State for External Affairs

SECRET Ottawa, May 25, 1944

Dear Mr. Wrong,

Thanks for your secret letter of May 23rd,† regarding the second shipment of munitions for China. I agree that this should be cleared formally with the Combined Chiefs of Staff at the earliest possible moment.

I think it should be made clear to the Chiefs of Staff that the trucks involved in this shipment are only those which go to make up complete 6-pounder gun equipments. We have many times agreed with the Chinese that we would ship complete equipments, and I dislike to go back on our word. Mr. Ralston is convinced that 6-pounder equipments are required by strategic necessity and, as these are not useful without motor equipment, it seems to me that we have no option but to send them complete.

You will recall that the Mutual Aid Board decided not to ship motor trucks which had been planned for this shipment other than those to match the 6-pounders.

I feel that if we can make this shipment as now planned, we can say to the Chinese that we have carried out our agreement with them to the extent that transportation will permit. Until we do so, we are bound to be under continued pressure by the Chinese.

I trust that Mr. Pearson will make every effort to obtain concurrence on the details of the shipment which, I understand, are being supplied to you by Mr. Fraser.

Thanks for your help in this matter.

Yours truly,

C. D. Howe

488. DEA/4929-F-40

Le sous-secrétaire d'État adjoint aux Affaires extérieures au ministre des Munitions et des Approvisionnements

Assistant Under-Secretary of State for External Affairs to Minister of Munitions and Supply

Secret Ottawa, May 26, 1944

Dear Mr. Howe,

Thank you for your letter of May 25th about the vexed matter of the second shipment of war supplies for China. I spoke to Mr. Pearson on the telephone yesterday and he then told me that they had arranged for a special meeting of the Joint War Aid Committee to take place on Monday morning, May 29th, in order to consider this matter. I am glad to say that he was optimistic that the Joint War Aid Committee would not make difficulties and he and the other members of the Canadian side of the Committee will all do their best to settle the matter.

He is of the opinion that it will not be necessary to raise the problem directly with the Combined Chiefs of Staff and that a discussion in the Joint War Aid Committee is the best course of procedure.

You will have received separately copies of two messages which we sent to the Embassy in Washington yesterday, Nos. EX-2189 and EX-2190,† on this subject. I am also repeating to Mr. Pearson by teletype your letter to me of May 25th.

Yours sincerely,

H. H. WRONG

489. DEA/4929-F-40

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures au secrétaire, le Comité de guerre du Cabinet

Memorandum from Assistant Under-Secretary of State for External Affairs to Secretary, Cabinet War Committee

SECRET Ottawa, May 30, 1944

Mr. Pearson informed me by telephone yesterday afternoon that the Joint War Aid Committee had agreed to the despatch of the second shipment of munitions for China. In giving their concurrence the United States side of the Committee had suggested that the Canadian Government should express to the Chinese authorities the hope that the supplies which Canada was shipping to India, for the delivery there to the Chinese Government, would be made available by China to the forces of other United Nations operating in that theatre if their transportation for use by Chinese forces was delayed and if the supplies were needed by other forces operating in the Southeast Asia Command.

Although we have not yet received a written report of the clearance, I think that it might be useful if you could give this information to the War Committee tomorrow and perhaps secure their authority for our addressing a communication to the Chinese Ambassador in accordance with the suggestion of the Joint War Aid Committee. The recent approach made to me by the Chinese Ambassador over the delay in making the second shipment provides a convenient opportunity for our notifying him that the shipment is about to be made and endorsing the suggestion of the Washington Committee.

If you can possibly work into the record some further statement to the effect that the War Committee considers that no further shipments should be made to China except in complete accordance with the opinion of the Combined Chiefs of Staff that might be helpful. Under this opinion we would be free to clear through the Joint War Aid Committee the despatch of small items readily capable of air transportation for which there was a reasonable assurance that transportation would be provided either by the U.S. Transport Command or the China National Airways Corporation. I think that we ought to limit any attempts at further clearance to small arms, binoculars and similar light items and should refrain from seeking to despatch any more artillery or transport until a land route is opened and in full operation.

H. W[RONG]

490. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET Ottawa, May 31, 1944

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MUTUAL AID; CANADIAN MILITARY SUPPLIES FOR CHINA

1. THE SECRETARY, referring to discussions at the previous meeting, reported that word had been received from Washington that the Joint War Aid Committee had confirmed clearance of the third Canadian shipment.

Canadian members of the Committee, at the request of the U.S. side, had agreed that the Canadian government should be asked to express to Chinese authorities the hope that, in the event of circumstances arising which prevented the Chinese from using the Canadian supplies, such supplies would be made available to the forces of any other of the United Nations who might have need of them for the successful prosecution of the war.

(Army Message J.S.78, Canadian Joint Staff, Washington, to Chiefs of Staff Committee, May 29, 1944).†

2. THE WAR COMMITTEE, after discussion, noted the Secretary's report, approved communication to the Chinese Ambassador in accordance with the suggestion of the Joint War Aid Committee, and agreed that any further shipments of war supplies to China should be cleared through the Joint War Aid Committee in order to ensure that such shipments were in accordance with the views of the Combined Chiefs of Staff, from the strategic point of view.

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491. **DEA/4929-F-40**

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur de Chine

Secretary of State for External Affairs
to Ambassador of China

No. 14 Ottawa, June 5, 1944

Sir,

I have the honour to refer to the enquiry which you addressed last month to Mr. Wrong[233] concerning the despatch from Canada of a further shipment of munitions for delivery in India to representatives of the Government of China. As you may already be aware, arrangements have been completed for the

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[233] Non trouvée.
Not located.

despatch of this consignment of munitions which will leave a Canadian port for India in the very near future.

The Canadian Government is, of course, anxious that war supplies furnished to other United Nations under the Mutual Aid Act are employed against the enemy as quickly as possible and they are concerned that the munitions delivered in India for Chinese use should not by reason of transportation difficulties be held in storage in India if they are required by other forces. I should be glad, therefore, if you would inform the Chinese Government that the Canadian Government hopes that, in the event of circumstances making it impossible for the Chinese Government to use this material at the present time, the Chinese Government will make the material available to any other of the United Nations which might have need of it for the successful prosecution of the war.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

492. DEA/4929-F-40

L'ambassadeur de Chine au secrétaire d'État aux Affaires extérieures

Ambassador of China to Secretary of State for External Affairs

33-EN352 Ottawa, June 7, 1944

Sir,

I have the honour to acknowledge receipt of your note No. 14, dated June 5th, concerning the despatch from Canada of a further shipment of munitions to China.

In reply, I wish to express to you, and through you to the authorities concerned, my deepest thanks for the expeditious manner in which the Canadian Government has complied with my request for the delivery of the above-mentioned shipment. It goes without saying that, when they are despatched to the theatre of operations in China, this and other consignments of Canadian munitions which are now stored in India will be of tremendous assistance to the war effort being put forth by my country.

In regard to the hope expressed by you that this material may be made available to any other of the United Nations in the event of its delivery being made impossible by transportation difficulties, I have already wired my Government. Pending the receipt of a reply, I should like to state that the Chinese Government is naturally most anxious to see that the difficulties

involved are speedily removed so as to enable our armed forces to avail of the valuable assistance extended by the Canadian Government.

Accept etc.

LIU SHIH SHUN

493. DEA/4929-F-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

TOP SECRET Ottawa, August 2, 1944

I think that you should see the enclosed telegram, No. 172 of July 29th, from General Odlum† and copy of the letter from Wrong to Mr. Howe of today† commenting on its contents. Our desire to assist China by providing munitions under Mutual Aid has borne no fruit because of the impossibility of effecting delivery. On top of the transportation problem we have now received the opinion of the United States Military authorities in Chungking to the effect that the Chinese forces for which the equipment was desired are unlikely to be equipped in time to be a factor in this war and that the Chinese themselves may have in mind the equipment of a post-war Army.

We already have in store in Karachi a stockpile of 12,500 tons of Mutual Aid munitions for China, none of which has been moved since the first consignment was delivered several months ago and little or none of which seems likely to be moved. When we add to the other considerations the internal situation of the Chinese Government, I feel that we have done quite as much as we are justified in doing by establishing the stockpile in India and that the supplies now in store in Canada or in process of manufacture for the Chinese should be sent elsewhere if they are needed for operational use. We know that some of them would be welcomed by the French. I understand that Mr. Howe is going to go into the production aspects immediately and that the question will be discussed by the Mutual Aid Board next week. It was referred to at a meeting of the Board last night.

494. DEA/4929-F-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Chine

Secretary of State for External Affairs to Ambassador in China

TELEGRAM 183 Ottawa, August 31, 1944

TOP SECRET. In view of information received from you and from other sources steps have been taken to cancel requisitions for production of munitions on Chinese account and to divert to other destinations munitions already

manufactured for them. The Chinese have been told that since we have established a stockpile of 12,500 tons in India we have discharged our obligations to them until transportation into China becomes possible. You may inform General Hearn.[234] Despatch follows.†

SECTION D

FRANCE

495. DEA/4929-G-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, April 11, 1944

M. Bonneau called at the Department today to say that he had now received instructions to sign a Mutual Aid Agreement on behalf of the French Committee of National Liberation in the form in which we presented it to him. This is identical with the Agreements signed with the United Kingdom, Australia and China[235] except that it was necessary to make some alterations in the language of the preamble and at one other point because the French Committee is not recognized as a Government and is, therefore, not one of the United Nations.

It is desirable that the Agreement should be signed in time to be tabled shortly after the recess of Parliament ends. M. Bonneau has to go to Quebec on Friday afternoon. I think that we could have the text ready for signature on Thursday afternoon or Friday morning if that will suit your convenience. I have not consulted Mr. Howe who will, I suppose, sign with you as in the case of the other Agreements.

The French have pressed very strongly that the Agreement should be signed in both English and French originals and I feel that we should certainly agree to this. Although the Russian and Chinese Agreements were signed in English only, we cannot refuse to sign with the French Committee in one of our official languages. I am, therefore, having the text prepared for signature in both languages.[236]

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[234] Chef d'état-major des États-Unis pour le théâtre de la Chine, de la Birmanie et de l'Inde.
Chief of Staff of United States for China, Burma and India Theatre.

[235] Voir Canada, *Recueil des traités*, 1944, N^{os} 3, 5 et 9.
See Canada, *Treaty Series*, 1944, Nos. 3, 5 and 9.

[236] Voir Canada, *Recueil des traités*, 1944, N° 12.
See Canada, *Treaty Series*, 1944, No. 12.

496. DEA/4929-G-40

Procès-verbal d'une réunion

Minutes of Meeting

SECRET Ottawa, November 13, 1944

MILITARY AND CIVILIAN SUPPLIES FOR THE FRENCH

A meeting was held in Room 123, East Block, on Monday, November 13th, for the purpose of discussing the question of military and civilian supplies for the French.

Those present were:
Mr. Wrong
Mr. Angus
Mr. Pierce
Mr. Fraser
Mr. MacKay-Smith[237]
Mr. Bryce
Lieut.-Col. McCrimmon[238]
Mr. Weiss[239]
Mr. Riddell[240]

It was noted that requisitions for both civil and military supplies for the French had been held up for over three weeks following the recognition of the French Provisional Government and the anticipated release of French gold and currency holdings in the United States and Canada. The French, meanwhile, have been pressing for a reply of some kind to their requisitions. They are under the impression that general assurances were given to M. Monnet that extensive supplies of all kinds would be available to them under Mutual Aid. There seems now, however, to be general agreement, in view of the improved financial position of the French and of the changed war situation, that the commitment to the French should be reviewed and more carefully defined. It was agreed at the meeting that in making such a review the following considerations should be kept in mind:

1. that the total financial resources made available to the French by the unfreezing of French holdings on this continent were not sufficiently great to meet both the immediate needs of the French for relief, and their long-term needs for reconstruction;

2. that it was desirable that the French should be left with some working balance of holdings on this continent at the conclusion of the war;

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[237] L'adjoint du directeur de l'administration, la Commission d'aide mutuelle.
Assistant to Director of Administration, Mutual Aid Board.

[238] L'adjoint du directeur de l'administration, la Commission d'aide mutuelle.
Assistant to Director of Administration, Mutual Aid Board.

[239] Secrétaire de l'administrateur, la Commission d'aide mutuelle.
Secretary to Administrator, Mutual Aid Board.

[240] Adjoint du sous-secrétaire d'État aux Affaires extérieures.
Assistant to Under-Secretary of State for External Affairs.

3. that Canadian policy in regard to French holdings would have to be concerted with that of United States and the United Kingdom, although it is doubtful if any French holdings of gold or dollars exist in the latter country;

4. that the French should not be able to secure, through Mutual Aid, relief supplies for which payment would be required, if they were made available through UNRRA.

5. that requisitions should not be accepted for military supplies that had to be put into production or civilian supplies that could not be delivered in the current fiscal year.

The French are at present making requests for military supplies to the value of about $25,000,000. and naval supplies to the value of between six and seven million dollars. Requests for civilian supplies are being received at the rate of five or six a day, and include a wide range of products such as agricultural equipment, ships, engines, electrical equipment, railway ties, wireless equipment, lead arsenate, dockyard equipment. Requests have already been granted and orders placed for military and naval equipment up to the value of over fifteen million dollars and civilian supplies up to nearly seven and a half million dollars.

Discussion largely centred about an attempt to define the criteria by which further supplies could be made available to the French under Mutual Aid. A simple distinction between military and civilian supplies would not suffice in this situation. Most of the military supplies requested were admittedly for the use of the so-called "sovereignty" troops employed on garrison duty in North Africa, whose activities bear little relation to the war; some of the civilian supplies, on the other hand, directly affect the French war effort. It was pointed out that Mutual Aid supplies for the United Kingdom are made available only after the financial position of the U.K. Government has been carefully scrutinized, whereas our knowledge of the French financial position was inadequate. No inquiry, however, has been made into the financial position of the Soviet Government in granting Mutual Aid supplies to that country. In regard to military supplies, it was generally agreed that the request for equipment for sovereignty troops was inadmissible, but that we would be prepared to assist in the equipment of French troops being trained for service against the enemy.

In conclusion, there was general agreement that the following recommendations should be placed before the Mutual Aid Board:

1. that all existing specific commitments to the French should be fulfilled;

2. that supplies under Mutual Aid should not be granted to the French for the use of sovereignty troops in North Africa, but that certain strategic military items could be made available under Mutual Aid from production or surplus stores during the present fiscal year and other available items might be procured by the French on either a reimbursable Mutual Aid arrangement or a credit basis;

3. that the requisitions of the French Navy be regarded as eligible under Mutual Aid;

4. that in regard to requisitions for civilian supplies, the criterion might be applied; "It is of importance in waging war against the enemy."

It was decided that a breakdown list of requirements should be prepared by the C.M.A.B. Administration for presentation to the Board in categories as outlined above and also the suggested policy which might be adopted, which includes possible reimbursable Mutual Aid or credit arrangements for items not eligible under Mutual Aid.

It was agreed that, when policy has been clarified by the Board, a full explanation should be given to the French representatives in Ottawa.

497. DEA/4929-G-40

Procès-verbal d'une réunion

Minutes of a Meeting

SECRET Ottawa, November 23, 1944

MILITARY AND CIVILIAN SUPPLIES FOR THE FRENCH

A meeting was held in Room 123, East Block, on Saturday morning, November 18th, for the purpose of discussing with the representatives of the French Provisional Government the application of the Mutual Aid policy of the Canadian Government to the types of supply which were being sought from Canada by France. The meeting was attended by:

G. Bonneau, Esq., French Delegate
G. Raoul-Duval, Esq., French Delegation
G. Paul Boncour, Esq., French Delegation
F. C. Gilbert-Berthiez, Esq., French Delegation
H. H. Wrong, Esq., Department of External Affairs
H. F. Angus, Esq., Department of External Affairs
S. D. Pierce, Esq., Department of External Affairs
R. G. Riddell, Esq., Department of External Affairs
Oliver Master, Esq., Department of Trade and Commerce
J. H. English, Esq., Department of Trade and Commerce
R. B. Bryce, Esq., Department of Finance
G. R. Heasman, Esq., Mutual Aid Administration
Lieut.-Col. A. M. McCrimmon, Mutual Aid Administration
S. A. MacKay-Smith, Esq., Mutual Aid Administration.

The policy of the Canadian Government was explained to the French representatives. The present position in regard to Mutual Aid was based in part on the changed situation which has arisen out of new strategic circumstances. The establishment of strategic necessity was the basic consideration in applying the Mutual Aid Act but, in determining this, some importance was inevitably attached to the question whether the Government concerned commanded any means of procuring essential supplies other than the use of the Mutual Aid vote; and therefore it was relevant to note that the financial position of the French Government was likely to improve materially in the near future.

The Canadian Government would be prepared to provide, under Mutual Aid, available military and naval supplies which would contribute directly to the prosecution of the war. It was recognized that the United States had

undertaken to equip the French armies in Europe, but it was suggested that items which the United States might not be able to furnish or which we might be able to furnish more readily or quickly, could be provided by Canada under Mutual Aid. On the other hand, it would not be possible to make available, under Mutual Aid, supplies for the use of garrison troops in North and West Africa.

In regard to civilian supplies, provision could be made under Mutual Aid only in the case of goods which would be of direct importance to the prosecution of the war and which could be delivered within a reasonably short period of time.

It was recalled that France had not requested UNRRA to furnish relief supplies without payment, and it was pointed out that if Canada undertook to furnish France with what were in effect relief supplies under Mutual Aid, Canada would be undertaking a larger burden for the financing of relief than the fair share which she had undertaken to supply through the international agency established for that particular purpose. Consequently the Mutual Aid Board felt it should not furnish, as Mutual Aid, supplies of a type which UNRRA was furnishing to countries in need of them.

In the course of the discussion, examples were suggested as illustrations of this policy. Material urgently required and immediately available for the purpose of restoring production in the coal and steel industries might be regarded as of importance in the war effort. On the other hand, in the case of agricultural implements, for example, combines for taking off future crops could hardly be regarded as eligible for Mutual Aid, although there might be some agricultural implements urgently needed for immediate requirements of a war nature which could be justified. The French representatives inquired in regard to an order for electric motors for Tunisia. It was suggested that insofar as these motors were for use in naval yards or military repair establishments, they might be available under Mutual Aid. Supplies which would have a very substantial post-war value, for example locomotives, would fail to secure the approval of the Mutual Aid Board. It was difficult to make fully clear in advance the distinction between goods for civilian use which would be accepted and those which would be rejected if applied for under the Mutual Aid program. The end use of any product would be of great importance in reaching a decision and the French representatives would be expected to make a case for the inclusion of any particular product in the Mutual Aid program.

At the same time the Canadian Government wished to assure the French representatives of their desire to put into operation a working system by which the French could secure supplies which were available in Canada without undue delay. If the existence of alternative methods of securing supplies were kept in mind, greater speed in the delivery of goods could be assured. For this purpose it was suggested to the French that they provide themselves with a cash account through which payment could be made for spot items that were not acceptable under the Mutual Aid program. Supplies available in Canada and required for the equipment of French garrison troops in Africa could be purchased in this way.

The French representatives raised the question of the purchase of supplies on credit and asked if the system established under the Export Credit Act was yet working. They inquired specifically if a requisition for trawlers, which had been rejected by the Mutual Aid Board, could be presented with the object of purchase through the extension of a long-term credit. They were assured that application could now be made for credits of this nature.

The French representatives next inquired whether or not anything in the nature of reimbursable lend-lease were available in Canada. It became clear during the discussion that the term "reimbursable lend-lease" had not been clearly defined. It was not certain, for example, that arrangements of this nature in the United States represented a short-term credit. It was suggested that, since the resources available under the Mutual Aid Act were limited, the Board would probably be unwilling to make use of its funds for the purpose of advancing credits. It would not appear now that the French Government would require short-term credits in view of the balances of gold and foreign exchange it would have at its disposal. It was also pointed out that any reimbursable Mutual Aid arrangements which could be contemplated by Canada would presumably be only for purposes of enabling the Mutual Aid Administration to act as agents with power to make short-term advances on behalf of the French Government in cases of urgency.

In summary, it was made clear to the French representatives that there were three possible ways of acquiring military and civilian supplies in Canada. The first was through the Mutual Aid Act; the second through payment of cash and the third through the extension of long-term credits.

At the close of the meeting Mr. Bonneau spoke of the importance of establishing, during the present emergency, channels of trade which would persist into the post-war period. He hoped that the knowledge which the French were now gaining of Canadian products would lead them to look to Canadian markets in the future. There was general agreement that the points mentioned by Mr. Bonneau were important and should be constantly borne in mind.

498. DEA/4929-G-40

Le secrétaire d'État aux Affaires extérieures au représentant auprès du gouvernement provisoire de la République de France

Secretary of State for External Affairs to Representative to the Provisional Government of the Republic of France

DESPATCH 330 Ottawa, November 25, 1944

SECRET

Sir,

I have the honour to enclose for your information a copy of the record of a discussion between representatives of the French Provisional Government and representatives of various Government Departments, concerning military and

civilian supplies for the French, which took place on Saturday, November 18th. The application of the Canadian Mutual Aid policy to the problems of supply presented by the French has been under consideration here for some time. The French requisitions have included a wide variety of products, including military supplies for the garrison troops in North and West Africa, naval supplies both for immediate use in the prosecution of the war and for permanent use in French naval installations, and civilian supplies of various kinds.

These questions were considered by the Canadian Mutual Aid Board at a recent meeting at which the following general statements were adopted as guides in applying the Mutual Aid policy to the French requests:

1. That all existing specific commitments to the French should be fulfilled;

2. That supplies under Mutual Aid should not be granted to the French for the use of sovereignty troops in North Africa, but that certain strategic military items could be made available under Mutual Aid from production or surplus stores; and that other available items might be procured by the French on either a reimbursable Mutual Aid arrangement or a credit basis, or for cash;

3. That the requisitions for the French Navy be regarded as eligible under Mutual Aid;

4. That in regard to requisitions for civilian supplies, the criterion might be applied: "Is it of importance in waging war against the enemy, and can it be supplied quickly?"

The decisions of the Board were communicated to the French representatives at the meeting the record of which I am now forwarding. In the course of the meeting the French representatives were assured that the Canadian Government desired to find means of making available to the French, as speedily as possible, any supplies for which they had need and which could be secured in Canada. For this purpose various procedures were suggested by which supplies which were available in Canada could be released to the French rapidly.

The decisions of the Mutual Aid Board together with the arrangements which are nearing completion for the release of French funds frozen in Canada should place the French in a position in which it will be possible for them to secure extensive supplies of various kinds in Canada. They will also have at their disposal funds which have been made available to them in Ottawa in payment for the francs used for the pay of Canadian troops in France.

I have etc.

H. H. WRONG
for the Secretary of State
for External Affairs

499. DEA/4929-G-40

Le sous-secrétaire d'État associé aux Affaires extérieures à l'ambassadeur en France

Associate Under-Secretary of State for External Affairs to Ambassador in France

SECRET Ottawa, November 30, 1944

Dear General Vanier,

A line in amplification of our despatch No.330 of November 25th concerning Mutual Aid policy may be of some value to you. One point which I wish to make quite clear is that requests for supplies from the French are being considered in just the same way as requests for supplies from other foreign countries. There is not one Mutual Aid policy towards France and one towards China and Russia. With respect to supplies for the United Kingdom and other parts of the sterling area fundamentally the determination of what can be charged to the Mutual Aid vote is the same as that made in the case of France and other foreign countries. Our financial relationships with the United Kingdom are, however, very complicated. In practice they make over to us all their Canadian dollar receipts and we pay for the goods and services furnished from Canada either from these receipts or from the Mutual Aid vote, depending on how the balances stand. The criteria of eligibility for Mutual Aid, however, are a constant factor.

Our information is that at present the United Kingdom is furnishing the French with essential military supplies under their Mutual Aid Agreement with France. They are requiring cash payment for all civilian supplies and do not intend to extend credit to the French for the purchase of such supplies. The United States similarly are furnishing military supplies to France under straight lend-lease but are providing all civilian supplies under what is known as reimbursable lend-lease, which is probably equivalent in effect to a short-term credit. We are prepared to furnish essential military supplies which follow the definition of purpose in the preamble to the Mutual Aid Act, under Mutual Aid, and we are also prepared to provide under Mutual Aid certain restricted categories of civilian supplies which will contribute directly to the prosecution of the war and can be furnished quickly. Thus we are not at present applying as strict a standard of eligibility as the standards adopted in either the United States or the United Kingdom in so far as the provision of civilian supplies is concerned.

The French have been asking us for widely assorted lists of civilian supplies required for metropolitan France and the French colonies. Virtually all of these items cannot be regarded as eligible under Mutual Aid which requires the distribution of war supplies under the Act to be made "in accordance with strategic needs in such manner as to contribute most effectively to the winning of the war." The French financial position has now changed so that it is possible for them to pay cash for most of the miscellaneous things that they want to get from Canada. The Order-in-Council releasing the French

Government funds held here was passed on November 27th and they will be able to draw on these funds as soon as we are notified from Paris who is authorized to sign on their behalf; the total amount involved is almost 160 million U.S. dollars. The much larger amount of gold belonging to the Bank of France will also be released as soon as the necessary formalities have been complied with. I do not wish to give you the impression that we intend to strip the French bare of their foreign exchange. We cannot, however, be harder financially on the United Kingdom than on France, and we think that they should now be able to pay cash for at least a large range of miscellaneous small orders which they wish to place here. If they attach great urgency to getting equipment for their garrison troops in Africa they could also purchase what we are able to provide. We have assured them that we are prepared to consider the extension of a credit under the Export Credits Act for the provision of reconstruction supplies, but they should now be able to buy for cash their miscellaneous spot items.

The French here have been having great difficulty in getting financial matters cleared in Paris. We arranged with them, as you know, some time ago to pay them Canadian dollars in Ottawa for the francs which we were needing for the pay of Canadian troops in France. There has been lying idle in Ottawa for some time the proceeds of this arrangement because the French representatives here have not been able to get authority to draw on the account. I hope that this difficulty will very soon be resolved.

We have been rather concerned to hear reports that the French feel that we are more restrictive than the United States in arranging for the provision of supplies. Of course the volume that they draw from the United States is vastly greater and the United States is able through their supply services in France and North Africa to investigate needs in a manner not open to us. We have, however, a working arrangement with the United States authorities for clearing French requests through the Joint War Aid Committee in Washington and this arrangement works not too badly. Close collaboration with them is quite essential for a series of reasons, such as the avoidance of duplication, the arrangement of shipping priorities and the assessment of strategic need.

As you know, we feel that confusion would result if we did not concentrate as far as possible in Ottawa the discussion of these supply questions. You should, however, have a general understanding of what the position is. It is quite true that the French have not secured as much from us under Mutual Aid as they expected to get or we expected to give when we offered them Mutual Aid in the summer of last year. It took them a very long time indeed to develop their own procedure and it is only within the last couple of months that they have set up a Supply Council in Ottawa through which their requests are channeled. Until then we were receiving unrelated requests from half a dozen different sources.

Finally, I should add a word about the general position of Mutual Aid. The existing vote will be entirely exhausted by the end of this fiscal year. The form and the amount of its renewal are not yet decided and are matters of high Government policy. Until a decision is taken we are virtually inhibited from

placing orders for the manufacture of Mutual Aid supplies which cannot be delivered until the next fiscal year. We shall let you know when the policy of the Government on this point has been determined.[241]

Yours sincerely,

H. H. WRONG

SECTION E

ARRANGEMENT FINANCIER AVEC LA GRANDE-BRETAGNE ET LA ZONE STERLING.
FINANCIAL ARRANGEMENT WITH GREAT BRITAIN AND STERLING AREA.

500. DEA/4929-U-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 150 Ottawa, February 12, 1944

SECRET

Sir,

With reference to my telegram of yesterday, I have the honour to enclose a copy of the Mutual Aid Agreement signed on February 11th between Canada and the United Kingdom.[242] The Agreement with the Soviet Government[243] signed on the same day is identical with the enclosure except in the following respects:

(a) Because of the special Protocol procedure for determining supplies to Russia Article III of the Soviet Agreement has been altered to refer to this procedure;

(b) Article VII has been dropped from the Soviet Agreement in view of Russia's neutrality in the war against Japan. We have in fact given no cargo ships to Russia; if we were to do so while retaining title this would be an invitation to the Japanese to interfere with the trans-Pacific traffic to Vladivostok;

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[241] Les dépenses subséquentes sur l'aide mutuelle furent allouées sous *la Loi sur les crédits de guerre N° 1, 1945*, sanctionée le 16 avril 1945. Voir *Statuts du Canada*, 9 George VI, chapitre 3.

Further expenditures on Mutual Aid were provided for under the War Appropriation Act, No. 1, 1945, assented to April 16, 1945. See Canada, *Statutes of Canada*, 9 George VI, Chapter 3.

[242] Voir Canada, *Recueil des traités*, 1944, N° 3.

See Canada, *Treaty Series*, 1944, No. 3.

[243] Voir Canada, *Recueil des traités*, 1944, N° 4.

See Canada, *Treaty Series*, 1944, No. 4.

(c) For similar reasons the words "or in ocean transit" in Article VIII have been dropped from the Soviet Agreement.

2. We have undertaken to enter into an exchange of notes with the United Kingdom Government on the interpretation of Article V of the Agreement setting forth the conditions governing the diversion to other countries of war supplies containing an element of Mutual Aid. Certain supplies, probably containing such an element, have already been diverted to third countries for some consideration. The terms of the exchange of notes are being worked out between the financial authorities here and the United Kingdom High Commissioner's Office.

3. The application of the Mutual Aid procedure to war supplies going to the United Kingdom has involved complicated financial arrangements which are now in operation.[244] The practical effect of these arrangements is to ensure that the receipts of Canadian dollars by the United Kingdom Government are in general devoted to the payment for Canadian supplies and only the cost of those supplies which is not met by current receipts is charged against the Mutual Aid vote. The substitution of the Mutual Aid procedure for the billion dollar gift has also necessitated what may be described as the dissection of the sterling area with the purpose of arranging that other Commonwealth countries should receive as direct Mutual Aid from Canada (rather than indirectly via the United Kingdom) the Canadian war supplies which they are unable to pay for from their current receipts, direct and indirect, of Canadian dollars. Negotiations are still proceeding with various Commonwealth Governments on the exact methods to be adopted. Difficulties in completing the technical arrangements have not, however, interfered with the movement of Canadian supplies.

I have etc.

H. H. WRONG
for the Secretary of State
for External Affairs

501. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, June 14, 1944

...

FINANCIAL RELATIONS WITH THE UNITED KINGDOM

35. THE MINISTER OF FINANCE reported that an early decision was required upon the means to be adopted in meeting the heavy financial deficits which the

[244] Voir le volume 9, les documents 359 et 360.
See Volume 9, Documents 359 and 360.

U.K. government were incurring in excess of present provisions in respect of war supplies purchased from Canada.

36. THE DEPUTY MINISTER OF FINANCE explained that total United Nations' requirements were estimated at some $15 hundred to $16 hundred million, of which the greater part represented supplies for Britain.

The Mutual Aid appropriation of $8 hundred million, together with a carry over from last year's appropriation of $87 million, would meet part of these requirements, but a net deficit of some $7 hundred million would remain. This would fall almost entirely upon the United Kingdom.

It should be borne in mind that the balance of this $7 hundred million represented war supplies already delivered or for which there were firm commitments. It should also be borne in mind that Canada had an important stake in the future prosperity and sound financial position of the United Kingdom.

During the recent Prime Ministers' meeting in London, U.K. Treasury officials had made certain suggestions to the Under-Secretary of State for External Affairs:

(a) that Canada assume responsibility, at an estimated cost of $120 million, for advanced and operational training of R.C.A.F. personnel in Britain;

(b) that the present capitation rate of 4/6 per man per day to cover maintenance of the Army overseas be raised to cover increased costs of maintenance on a basis of active military operations;

(C.M.H.Q. were of the opinion that the capitation rate should be 18s to 25s which was the estimated average cost of maintaining an army on active operations. U.K. officials have suggested that the rate should be 30 to 35 shillings in view of the fact that the Canadian Army was very heavily armoured).

(c) that Canada assume a proportionate share, estimated at $250 million, of the U.K. costs of carrying reserve stores which were drawn upon by the R.C.A.F. and Canadian Army.

37. DR. CLARK suggested that it might be reasonable to go some distance toward accepting the first and second ((a) and (b) above) of these proposals. The third, however, did not seem reasonable in view of the fact that the supplies involved were built up in substantial part by gifts or by Mutual Aid assistance from Canada.

In addition the U.K. government might fairly be expected to reimburse Canada in gold or U.S. dollars for the U.S. dollar content of Canadian war supplies produced in Canada for British account. This would involve probably some $250 to $275 million in U.S. funds.

The remaining gap might be met by a Canadian credit to the United Kingdom on the basis of an open-book account.

(Deputy Minister's memorandum, June, 1944).[†]

38. THE MINISTER OF NATIONAL DEFENCE FOR AIR observed that the proposed increase in R.C.A.F. squadrons from forty-four to fifty-eight,

referred to earlier in the meeting,[245] would carry with it an obligation for equipment and maintenance which might run from $200 to $300 million.

39. THE WAR COMMITTEE, after discussion, authorized negotiations with the U.K. government along the following lines:

(a) Canada to assume responsibility for the cost of advanced and operational training in Britain of R.C.A.F. personnel;

(b) Canada to assume responsibility for increased capitation payments to the U.K. government for the Canadian Army Overseas at an increased rate to be worked out by C.M.H.Q. with the approval of the Department of Finance on a basis of actual cost of Canadian formations;

(c) the U.K. Treasury's suggestions regarding carrying charges on reserve stores in England to be refused;

(d) the U.K. government to be requested to make payment to Canada in gold or U.S. dollars for the U.S. content of Canadian war supplies provided to Britain;

(e) an open book credit to be granted to the U.K. government for any remaining deficit of Canadian dollars.

...

502. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, June 21, 1944

...

U.K.-CANADA FINANCIAL RELATIONS;
R.C.A.F. EXPENDITURES

12. THE MINISTER OF NATIONAL DEFENCE FOR AIR, referring to the discussion at the previous meeting, submitted a report recommending that, in considering assumption of any further liabilities on behalf of the R.C.A.F. overseas, priority be given to payment of the costs of additional R.C.A.F. squadrons.

Proposals for the formation of fourteen additional R.C.A.F. squadrons for overseas service, following the conclusion of the German war, had already been discussed and tentatively accepted as a basis for planning. These proposals would involve an estimated initial cost of $36,000,000 and an annual recurring cost of $111,000,000.

This expenditure would be more justifiable than assumption of the costs of advanced and operational training in Britain which, under existing agreements, was borne by the U.K. government.

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[245] Voir le document 384.
See Document 384.

(Minister's memorandum, June 21, 1944).†

13. THE PRIME MINISTER questioned the wisdom of making further substantial reductions, at this time, in the amounts of the U.K. government's indebtedness.

14. THE WAR COMMITTEE, after discussion, agreed that the decision taken at the meeting of June 14th be amended to substitute costs of additional R.C.A.F. squadrons overseas, as recommended by the Minister of National Defence for Air, for the costs of advanced and operational training in the United Kingdom.

...

503. DEA/154s

Mémorandum du ministère des Finances

Memorandum by Department of Finance

TOP SECRET Ottawa, August 1, 1944

NOTES ON MEETING IN OFFICE OF MINISTER OF FINANCE TO DISCUSS UNITED KINGDOM FINANCING - AUGUST 1/44

The meeting had been arranged as the first of several discussions between Lord Keynes and others on the U.K. side and Canadian Ministers and officials, to deal with the general financial arrangements between Canada and the United Kingdom and their relation to Mutual Aid and to Canadian war expenditures overseas. Those present included, on the U.K. side, Lord Keynes, Sir Wilfred Eadie, the Hon. Mr. R. H. Brand, Rt. Hon. Malcolm MacDonald, and Mr. Gordon Munro; and on the Canadian side, the Hon. Mr. Ilsley, Dr. W. C. Clark, Mr. Graham Towers, Mr. Norman Robertson, Mr. Hume Wrong and Mr. R. B. Bryce. Mr. Ilsley was in the chair from the time the meeting opened at 9.30 a.m. until 11 a.m., when Dr. Clark took the chair until the meeting ended at 11.30 a.m.

Lord Keynes opened the discussion with a long statement setting forth the external financial position of the United Kingdom and its relation to the period of the war against Japan and the immediate post-war situation. In commencing, he said that the general problem facing the U.K. is to get through the Japanese phase of the war, which he called "Stage 2", with sufficient overseas reserves and borrowing power left that it would be possible for the U.K. then to weather "Stage 3"—the transitional period of three years or more during which the United Kingdom's imports are likely to exceed its exports by a wide margin. Unless satisfactory arrangements can be made, the U.K. will be faced now with the possibility of depleting its essential reserves or incurring debts outside the sterling area which will use up its safe margin of borrowing power before the difficult and critical years of Stage 3 are reached.

Lord Keynes referred to the discussions with Mr. Ilsley and Dr. Clark at Bretton Woods on this general subject and said he felt some explanation was desirable of how it was that the U.K. could contemplate further borrowing

from sterling area countries during Stage 2 on top of its present indebtedness to the sterling area, while asking Canada to offer her further assistance during this period. Before considering the situation of individual parts of the sterling area, he wished to emphasize that an important part of the explanation is to be found in the arrangements under which the various parts of the sterling area have lodged their currency reserves with the U.K. and turned over to the U.K. all their net earnings outside the sterling area. Consequently, part of the sterling debt incurred by the U.K. represents essentially the accrual of dollars to other parts of the sterling area which the U.K. is having to purchase and use itself for current purposes.

Lord Keynes then went on to discuss the situation in respect of the various parts of the sterling area. In the case of New Zealand there has been no accumulation of sterling. The balances held by New Zealand in London remain just the working balances which they held at the beginning of the war. They handed over substantial earnings of U.S. dollars to the U.K. while at the same time they have had to supply Mutual Aid to the United States, as reverse Lend-Lease, on a substantial scale. Had New Zealand been able to retain the dollars which she earned, she would be better off.

Australia until recently had not increased its sterling holdings to any substantial extent. However, she has recently been earning a substantial surplus of dollars, mainly from the expenditures of U.S. troops in Australia. These have been turned over to the U.K. for sterling and as a consequence Australia has been building up its sterling balances until they are now larger than the normal pre-war levels. Had Australia been able to retain the dollars she earned, she would be in a much stronger position than she will in fact be in after the war. In the meantime, Australia is having to furnish very substantial aid to the U.S. forces. Australians claim that they are being put in a most unfavourable financial position as a consequence of this very substantial Mutual Aid given the U.S. and the turning over of their dollars to the sterling pool. She is meeting a small maturity of some £8 million out of accumulated sterling in the near future. Of course, Australia has very substantial long-term sterling liabilities. In turning over their dollars to the U.K., Australia feels that they have put themselves completely in the hands of the U.K. as far as their post-war reserve situation is concerned. Lord Keynes later in the discussion emphasized that sterling reserves before the war could be considered as equivalent to gold, but there would be a new situation at the end of the war when the U.K. will be quite unable to ensure convertibility for all the balances held in London by the various parts of the sterling area.

Turning to South Africa, Lord Keynes noted that this Dominion has not had to bear anything like the financial burdens during the war that the other Dominions had. She was meeting substantial expenditures during the fighting in North Africa, but recently her war expenditures have not been on a scale anything like that of Canada, for example. Consequently she has had no real financial problem as we would understand it. She has piled up a good deal of her own gold. She has made all of her external payments through the U.K. and pays the U.K. whatever gold is required to obtain the foreign exchange for this

purpose. She has paid off all but about £30 million of her public debt and is prepared to repatriate this remaining amount in gold whenever the U.K. wishes, but the U.K. has not wished as yet to avail itself of this option.

In answer to a question by Dr. Clark concerning the repatriation of private securities, Lord Keynes said that South Africa has been purchasing Kaffirs from London for some time. Until lately the Bank of England had no accurate figures on the matter, but has made some inquiries in recent months. Offhand, his opinion was that it might amount to perhaps £10 million a year, which would be a substantial movement but not an enormous one. Mr. Ilsley noted that this repatriation of private securities is a suggestion often put forward in Canada and the Government is criticized for not having bought back some, or even all, of the U.K. holdings of Canadian private securities. Lord Keynes noted that the U.K. has deposited very large amounts of these Canadian securities as security for its Canadian dollar loan.

Lord Keynes went on to discuss the situation in respect of the Crown Colonies, which he said might produce some embarrassment for the U.K. after the war. The U.K. is in the position of trustee in regard to these Colonies and cannot require them very well to contribute to the costs of the war, although they have been encouraged to make interest-free loans to the U.K. when they had budget surpluses that would enable them to do so. The U.K. now owes these Colonies an amount in the neighborhood of £500 million, and these Colonies are "stuffed with money." A large part of the amount owed to these Colonies represents their various reserves held in the U.K., notably their currency reserves and their pension fund reserves. There has been some accumulation of funds as well from the net accruals of foreign exchange turned over to the sterling area pool. In answer to a question, Lord Keynes indicated that the West Indies have not accumulated large reserves during the war, and that the most important holders were various African Colonies. Later in the discussion Lord Keynes stated that the U.K. would probably have to be more ready to provide foreign exchange to these Crown Colonies for their sterling than would be necessary or possible in the case of other holders of large sterling balances.

India is, of course, the largest holder of sterling balances arising out of the war. An important part of these balances represents Indian currency reserves. Another important part represents the accumulation of India's net dollar receipts which have been turned over to the sterling area pool. Of these a large portion arose out of commercial operations—indeed, such a large part that the U.K. Cabinet was surprised when the figures were made known to them. It has commonly been thought in the U.K., as elsewhere, that a large part of these sterling balances held by India represented the expenses of the Indian Army borne by the U.K. in accordance with the financial agreement between the two countries, but in fact investigation has shown that this constitutes a much smaller part of the total than was expected. The largest item of all, constituting more than half the total debt, consists of payments by the U.K. to India for her very substantial munitions output required for use outside of India, mainly in the Middle East. The fact that the U.K. has had to go into debt to India to buy

this munitions output indicates that the situation is not parallel to that in other parts of the Empire, and in particular, that India has clearly not gone anything like the same distance as Canada in the provision of war supplies to the common cause.

It was noted, however, that what India herself has done is huge, despite the burden that the U.K. has assumed in financing India. Sir Wilfred Eadie pointed out that Indian war and defence expenditures during the war period have amounted to approximately £590 million, which might be compared with a figure for the same period at the pre-war rate of perhaps £120-£130 million. This should be viewed in relation to the very limited financial power of the central Government, whose total tax revenue was formerly about £195 million a year, which was recently increased by about £60 million a year. This limited financial power is due to the enormous population which lives at a bare subsistence level. The whole of Indian agriculture, in fact, is exceedingly difficult to tax in any way. Lord Keynes noted that India's industrial population was taxed much like the rest of us. He also noted that India has suffered very substantially from the economic effects of the war. For example, the famine, caused very largely by the loss of food imports from Burma (and presumably as well by the shortage of transport due to war needs), has probably brought about a greater loss of life than that in all the Allied armed forces. Lord Keynes stated that the whole question of financial relations with India has recently been reconsidered by a Committee of the United Kingdom Cabinet, with a view to reopening the whole situation if that appeared justified. Even the Indians realize that they have done relatively well financially out of the war, as a nation. However, there are very great difficulties in securing any alteration in the arrangements. They would need to be approved by the Viceroy's Council, which includes only two English among a considerable number of Indians. The U.K. has been told that if it presses for a revision of these financial arrangements, all of the Indian members of the Viceroy's Council would be apt to resign. While the U.K. Government therefore feel that the end of the story has not yet been reached by any manner of means, they do not wish to make it too exciting at the present time. Consequently their conclusion is that it is the course of wisdom to do nothing further about the Indian arrangements at present.

Egypt is the other large creditor of the U.K. at present, holding balances which probably amount now to something between £250 and £300 million. Hers is an outrageous case. She is, of course, still a neutral country. The United Kingdom was in very serious difficulties there in the early part of the war and had to agree to quite unreasonable propositions. In particular, as Sir Wilfred Eadie pointed out, the British forces had to buy as much as possible of their foodstuffs locally, and the Egyptians were well aware of the difficulties of the British and exploited their bargaining position. Moreover, it was necessary to induce a substantial increase in the acreage planted to various crops, although it was not possible to provide the farmers with any goods in return. Consequently quite substantial prices had to be offered as an inducement, for example, £40 per ton for cereals. There is no doubt, Sir Wilfred said, that the

U.K. was badly stung. However, this was inevitable. A good deal of the Egyptian balances arose from this process. Lord Keynes pointed out that the fate of much of these Egyptian holdings of sterling was somewhat obscure. A considerable part of them represents the holdings of individuals and unofficial bodies, held by the Bank of Egypt.

Lord Keynes went on to speak of the neutrals. With the European neutrals it has not been possible to make very satisfactory arrangements. Most of the U.K. expenses have been for secret service work, the Red Cross, and prisoners of war assistance, and obviously she was not in a position to bargain in these fields. In Portugal there have been very heavy expenses in connection with pre-emptive buying, particularly in the case of wolfram, where the price paid has been 30 to 40 times the pre-war price. These European expenditures have had to be covered in gold. Therefore, although no debts have been accumulated, the expenditures have caused quite considerable depletion in the U.K. reserves.

In the case of the South American countries, the U.K. debts are not large and in all cases are less than the assets held by the U.K. in those countries. Lord Keynes said they would doubtless be dealt with by the liquidation of assets, but the U.K. preferred to do it when their bargaining position was better.

Even the financial arrangements with some of the smaller Allied nations have caused the U.K. difficulty. For example, the U.K. has accumulated debts to Norway of some £60-70 million, due largely to payments to the Norwegian Merchant Marine which managed to escape from Axis control. In the case of Greece, the figure of £50 million was given as an approximate total of British obligations, some of which, however, were funds given to Greece during the period immediately before her occupation.

After this long review of the situation vis-à-vis the various countries, Lord Keynes noted that it is difficult to get any useful analogy to the Canadian case. Unquestionably Canada has given the U.K. a much better deal than anyone else has. The United States has, of course, given a greater absolute amount of assistance, but there have been bickerings and disputes over details, which have not been present in Canada. As a consequence, the U.K. authorities have appreciated this detailed cooperation, as well as the magnitude of the total assistance. He admitted that the U.K. cannot defend itself against the charge that in its relations with Canada "one good deed leads to the expectation of another." He pointed out, however, that in the other cases where the U.K. has not been able to secure as favourable arrangements, it has not lain within their power to act otherwise than they have acted. It is now the intention of the U.K. Government to take advantage of the improved war situation to stiffen up wherever possible. Undoubtedly in the earlier years of the war there was some financial appeasement. It was considered absolutely necessary at the time. The only place where it was on a great scale, however, was India, and, to a lesser extent, Egypt.

Lord Keynes stated that there is no doubt the U.K. will have to borrow up to the full amount which she will be able to repay. They feel very definitely, however, that the amount which they will be able to borrow and repay will be

barely sufficient for Stage 3. If they are forced to use it in Stage 2 for financing their requirements during the war against Japan, they will have an appalling problem in Stage 3 which will necessitate very severe restrictions upon imports. If the U.K. have to start incurring war debts to the U.S. during Stage 2, it will create a most embarrassing problem for all of us. In the case of Canada, he believed it would be easier for Canadian authorities to continue assistance of the Mutual Aid type in Stage 2 than it would be to do anything of that nature in Stage 3. They assume that all assistance in Stage 3 must take the form of credit. As regards the sterling area in Stage 3, it is expected that far from being able to borrow sterling from them, the U.K. will have to reduce its obligations because they represent in part the exchange reserves of the sterling area, some of which will have to be used for the purchase of imports from the dollar area. The politique that is being followed is to borrow further from them during Stage 2 and repay something during Stage 3.

At this point Mr. Ilsley noted that it is not going to appear very reasonable to the Canadian public if the U.K. is borrowing from Canada and paying back its obligations to the sterling area. He said that already people in Canada were showing some interest in the $12 billion figure given for U.K. obligations and that in the Banking and Commerce Committee, for example, this figure had been mentioned and it had been said that "Canada has none of it," or at least only $700 million. He said that the only answer he has been able to give to Canadians who point to this large accumulation of sterling and suggest that Canada should accumulate sterling similarly, is to say that it is blocked in the U.K., or will be. In answer to this Lord Keynes said that it is quite safe to forecast that it will be blocked and will not be convertible except by special arrangements or possibly in the case of the Crown Colonies, where an unusual obligation exists. For the rest, it will probably have to be liquidated in the purchase of goods by the U.K. Mr. Ilsley said that he would take no exception to the principle of allowing these accumulated sterling balances to be used for the purchase of goods from the U.K. In fact, he said he had told Canadians a number of times that the only way in which such an accumulation of sterling could be liquidated was by purchasing more from the U.K. or selling less to the U.K. Lord Keynes noted that the Indians had been quite pleased to hear that the U.K. would be ready to provide goods to liquidate their sterling obligation to India, with the inference that the Indians were fearful that they might not be able to realize in any way upon a part of this accumulated sterling.

Dr. Clark, picking up a remark made about British exports in Stage 2, asked whether the U.K. would not be able to get back into the export market more quickly than the U.S. Lord Keynes said that was not the way things were moving at present, in fact quite the contrary was the case. The U.K. is prevented by its shortage of manpower from getting back into the export market, and will probably remain short of manpower even in Stage 2. This will be due in part to the large army of occupation which it will be necessary for the U.K. to maintain in Europe, as it is now understood that the U.S. will be maintaining only relatively small occupation forces, so that the areas not occupied by Russia will fall to be occupied by the United Kingdom. Morever, it

was pointed out that the U.S. already has a large margin available for civilian consumption, some of which can be diverted to export purposes and which in any event makes it possible to devote additional resources converted from war production to export purposes, rather than domestic requirements. Sir Wilfred Eadie pointed out that at the beginning of Stage 2 much of the British manpower will be far away from the U.K., and it will take a considerable period to repatriate it.

Lord Keynes gave some figures concerning prospective U.K. trade for 1945. He said that exports in 1943 had amounted to about £300 million in value. At the prices expected in 1945 this would be equivalent to £350 million. It is forecast that exports in 1945 will in fact be £450 million, i.e., up by about £100 million over the 1943 level in real terms. However, the price of imports is also expected to be higher and the volume of imports is so great that the U.K. expects to be further behind than ever in 1945. It is thought that imports worth £1,100 million in 1943 prices will be required, but that they will in fact cost £1,400 million. Sir Wilfred Eadie pointed out another factor bearing on the export possibilities—the relatively concentrated war industry in the United States, designed comparatively recently, and noted that the aircraft, for example, required for the war in the Far East, would be produced in a few large plants. In the U.K., on the other hand, Mosquito aircraft, a type that would be very urgently needed for the Pacific war, were built almost entirely by the furniture trade, which could not possibly be reconverted to peacetime requirements until the production of Mosquitoes was suspended. Lord Keynes pointed out too the reduction in civilian consumption in the U.K. compared with the U.S. Their figures indicated that in real terms civilian consumption in the U.S. had gone up from 100 before the war to 115, whereas in the U.K. it had gone down from 100 to 79. Moreover, workers in the U.K. were working far longer hours and under greater strain. The moment that Britain relaxes, much of her present effort will disappear and the time will be used for leisure, which is very much required after the great strain of the war. This, as well as the other influences, will prevent a quick resumption of export trade.

Lord Keynes said that before the war the U.K. had an excess of overseas assets over overseas liabilities of approximately £3,500,000,000. She expected to end up after the war a net debtor to the extent of about £2,000,000,000. How she is going to make good this change in her capital and income position by means of an expansion of exports is very difficult to envisage. No other country has a similar problem arising from the war. Russia has, of course, suffered great devastation and loss internally, but she has accumulated no external debt and has gold which may amount to as much as £1,000,000,000. Her problem is essentially to revise her internal economy which, though difficult, is within her own control. Britain on the other hand must reorganize its external economic relations and achieve a great increase in export sales, which are very much more difficult to control. The debt that Britain must pay is not large in relation to her total income, but to turn it into exports is exceedingly difficult. It will require 3 to 5 years to readjust the current balance of payments to the new situation. It is going to require action which will be a

frightful disappointment to the British public, who have been hoping for a return to a good life and a normal life after the war. Sir Wilfred Eadie pointed out that it will require a type of reconversion similar to that required in the transition from peace to war. It will involve priorities for exports. The British housewife will be severely disillusioned when she learns that the cotton and wool trades of England are fully occupied, yet supplies in England of these commodities are still seriously short.

Mr. Bryce asked what the British expectation was in regard to their terms of trade after the war. Lord Keynes said that they had been assuming much the same terms of trade as before, but that his feeling was that this was a somewhat pessimistic assumption for the short run and optimistic for the long run. He thought the scarcity of manufactured goods immediately after the war would favour the U.K., while on the other hand the U.K. must expect that over the long run the price of the farm products and raw materials which they buy could not remain in as favourable a relation to the prices of manufactured goods as they were before the war. Asked whether the disappearance of the export power of Germany and Japan after the war would not help the U.K., he said that his own belief was that this would be of considerable help to Britain in building up her export trade, and that the effect of it was being underestimated in the U.K.

There was a brief discussion of the way in which it might be possible to put in simple terms the reason why the U.K. has had to borrow substantial amounts from sterling area countries while getting Mutual Aid from Canada. It was recognized that it was difficult to put the argument in simple form or to generalize easily to cover the various types of individual cases involved. It was suggested that emphasis might be laid upon the fact that sterling area countries handed over their currency reserves to the U.K., and, secondly, that they were turning in their net earnings of dollars to the U.K. for sterling. Mr. Towers and Dr. Clark felt that the point about the currency reserves would be difficult to put in a way that would be clear or convincing to many Canadians, but the other point might be more convincing. Mr. Ilsley noted, however, that it would be hard to use these arguments because his colleagues and, he feared, the public, might point out that we had little in the way of reserves that we might have been able to turn over at the beginning of the war and were not able to add substantially to them during the early years of the war. In fact, we had had to use up some of our dollar reserves in order to provide goods to the U.K.—a situation which is the reverse of that which is being suggested as a basis for a justification of borrowing from the sterling area.

There was a brief discussion of the question as to whether India had not made a special arrangement to get some gold, or assurance of gold, from the U.K. Lord Keynes said that the suggested arrangment did not in fact come off. The U.K. had, however, been selling substantial amounts of gold in the Indian market, which itself provided India with gold which might some day be used to buy abroad. However these gold sales were being discontinued and as a consequence it may be necessary to make some arrangments in 1945 by which India will be assured of some gold reserves.

Mr. Ilsley pointed out that the Canadian Government is in a weak position now in regard to Mutual Aid and similar policies. Public sentiment is changing and becoming less generous and more self-seeking. Many now feel that Mutual Aid was a noble experiment which worked for a time but cannot be maintained. He said that Canada must not be put in a position where she has to stand out in front of the procession in a matter of this kind. If she had had some followers among other countries, it would be easier to maintain a Mutual Aid policy. Commenting upon this, Lord Keynes noted that if Canada uses up Britain's capacity to borrow now, she will have difficulty selling to Britain in Stage 3. He pointed out that the British position was not as strong as it appeared. They have not played up their true position, because part of their strength has been due to people not knowing their weaknesses. Mr. Brand pointed out that in any event, Canadians can realize that in helping the U.K. they are helping a country that is itself bearing a full share of the burdens of the war.

Mr. Ilsley noted the suggestion which the Canadian Government had put forward that Britain should pay for the estimated United States content of munitions provided to her this year by Canada. In addition, the Canadian Government has made certain proposals in regard to expenditures overseas, and has suggested that the balance of the deficit be accumulated on credit. He noted that the U.K. authorities did not wish to pay us in United States dollars as had been suggested, and did not wish to incur debts to us at this time. He wished to confirm this reaction. He also noted that there has been considerable agitation in Canada that we should repatriate private Canadian securities held in the U.K. In particular, however, he wished to emphasize that it would be hard to justify Canada ending the war owing the U.K. more in the form of securities and otherwise than the U.K. owes to Canada. Lord Keynes replied to this saying that at the end of Stage 3, as he contemplated it, Mr. Ilsley's contention would be met, and that it was essentially a problem of timing now. He could see no other solution to the difficulties to be encountered in Stage 3 than credit terms, and felt that the purchases on credit should be reserved for that period.

At this stage Mr. Ilsley explained that it would now be necessary for him to go to the House of Commons, and wondered whether the discussion might continue in his absence on the detailed proposals which the U.K. representatives said they would wish to put forward. After brief discussion, it was agreed that the meeting would continue with Dr. Clark in the chair.

Lord Keynes outlined the general nature of the suggestions which the U.K. had in respect of the current fiscal year and in respect of Stage 2. They think that there are various types of accounting adjustments relating particularly to the expenses borne by the Canadian services overseas, some of which would not stand the critical scrutiny of the Canadian authorities but the remainder of which, taken together, would more than look after the deficit which cannot be financed by Mutual Aid this year. These adjustments would not require an additional Mutual Aid Appropriation, but an increase in the Canadian War Appropriation itself. Lord Keynes then went on to discuss the problem of Stage

2, which he thought would commence before the end of the current fiscal year. He said that the Canadian authorities do not at present know the general plans of the U.K. in regard to this stage, but some information on this may be furnished in about a month's time. He said it appeared to him that the distribution of effort by Canada between fighting on the one hand and the provision of munitions and other supplies on the other, would likely change to a greater emphasis upon supplies than on fighting, as compared with the present. He noted that now Canadians are doing perhaps one-seventh of the real fighting being done by all the forces of the Commonwealth. He thought that if Canada reduced its total effort in about the same proportion as the U.K. and the United States were expecting to reduce theirs, the result would almost certainly be a greater reduction in Canada's share of the fighting than in her share of the provision of munitions. This arose because of the nature of the Canadian contribution and of the fighting that would be done in Stage 2. The effects of this shift in emphasis would cut both ways to increase the Mutual Aid Appropriation in relation to the War Appropriation. Canadian expenditures for their forces in the U.K. and the sterling area would be decreased and therefore U.K. receipts from Canada would be decreased, and her need to obtain supplies on Mutual Aid rather than by purchase would increase. On the other hand, the Canadian War Appropriation would also decline, while the Mutual Aid Appropriation, for the reason noted, would have to be maintained, and possibly even increased, if expenditures were to be allocated as at present. Lord Keynes said that from the British point of view this was not a welcome development, as it would look too much as though they were receiving larger gifts from Canada and less as though Canada was simply participating in the war in the proportion which she felt was rightfully hers. He also noted that this might occasion misunderstanding and difficulties in Canada itself. For this reason the U.K. authorities have been considering what possibilities there might be for a rearrangement in the financial relations between Canada and the U.K. for Stage 2 as compared with Stage 1.

While the U.K. authorities had not yet completed their study in this matter, they thought that something more like the arrangements between the United States and the U.K. might prove better for Stage 2 in the case of Canada and the U.K. Under the present arrangements, Canada sells or provides under Mutual Aid to the U.K. everything which the U.K. gets from this country, and pays the U.K. for everything which Canada or Canadian forces get from them. This involves a great deal of accounting. The U.K.'s arrangements with the United States used to be similar to this. They have, however, been changed, and now there is practically no accounting between the two countries, the United States furnishing various supplies to the U.K. on Lend-Lease, and the U.K. in turn furnishing services, materials and equipment to the United States on reverse Lend-Lease. The possibility of applying the United States formula to Canada would depend on the relative magnitudes of the figures for munitions, food and other supplies received from the U.K., and on the requirements for the Canadian forces in the U.K. and elsewhere in the sterling area. Subject to further consideration of these magnitudes, what the U.K. has

in mind is that all payment for munitions and supplies transferred between the two countries would be stopped, and each country would bear the cost of munitions provided to the other on its own defence appropriation. The U.K. believe that they would then be able to pay for everything else required from Canada except food. They would suggest that food, and only food, from Canada should be provided to the U.K. during Stage 2 on Mutual Aid. It would be relatively easy then to make the transition into Stage 3, as the transfers of munitions would cease and the food which the U.K. had been receiving on Mutual Aid they would then purchase on credits which they would wish to arrange with Canada for this period. Lord Keynes argued that this arrangement for the three stages would make a logical and coherent whole, involving first the cleaning up of outstanding accounts this year, then the new arrangements for Stage 2 described above, and finally, credits in Stage 3. He said he was afraid that if the present basis were continued, not only would there be the difficulties in Stage 2 arising from the disproportion between Mutual Aid and war expenditures, but the accumulation of arrears in accounts might not be cleaned up until many years after the war.

There was some discussion of the extent of the effort that was probably going to be necessary during Stage 2. A figure of 66% of the present effort was mentioned as a possibility for the U.K. and the United States. There was some doubt as to whether an effort of this magnitude could effectively be brought to bear against Japan, but Lord Keynes and Sir Wilfred Eadie emphasized that there would be a shift to more expensive types of fighting and equipment. The possibility was noted that the extent of the war effort would probably decline during the period, but it might be expected to average something like the percentage suggested. Further work is being done on the plans for this period, however, and it is hoped that in about a month's time concrete proposals will be ready. It is expected that the U.K. and the United States will both be reducing their efforts in about the same proportion, and the general nature of the program is being agreed between them.

Dr. Clark asked what the suggestions were that the U.K. had in respect of the current fiscal year. Lord Keynes outlined them, but noted that almost certainly some of them will be destroyed by the critical analysis of the Canadian authorities. The first two items concerned Mutual Aid matters; the others concerned the expenditures of the Canadian services overseas. In the first place Lord Keynes noted that there was apparently a large tax element in the munitions costs for Mutual Aid account. He said that that seemed unreasonable to the U.K. authorities and that it should be possible to make a rebate of these taxes as is done in the case of purchases of munitions by the U.K. and other governments. He said that he understood the amount involved was of the order of $200 million. Dr. Clark indicated that he felt there was not a great deal in this point and it could be satisfactorily explained. The second point mentioned was the fact that capital costs of ships are being charged to Mutual Aid to the U.K., when in fact they do not pass to the U.K. Lord Keynes said they did not know the exact figures involved for the ships, but thought it might be more reasonable not to charge the capital costs of the ships

to Mutual Aid. Dr. Clark noted that in the United States the capital cost of ships was charged to Lend-Lease, and that might reasonably serve as the precedent in the Canadian case. Lord Keynes commented, however, that Lend-Lease is not subject to a ceiling, as is Mutual Aid, but covers all the items which are regarded as eligible for Lend-Lease. He noted that transfers to the U.K. under Lend-Lease this year will be larger than ever before.

The suggested adjustments concerning expenditures of the Canadian forces were the ones already put forward to the Canadian Government in London, but they had further material on them now and have studied the points raised by the Canadian authorities in regard to them. The first item is the capitation rate applicable to the Canadian forces serving in active operations. The second is the cost of advanced air training in the United Kingdom. The third is the cost of the reserve stores of military and Air Force equipment maintained by the U.K., including stores in transit. On the other side of the account there are to be considered the $200 million owing on air training, which has not yet been brought to charge against the U.K., and a possible excess of the value of munitions delivered over the total of the accounts presented for payment. He said the U.K. authorities were concerned over the divergence between our estimate of payments on account of munitions and the Department of Munitions & Supply estimates of the value of deliveries. They could understand there were bound to be some arrears in the payments for munitions, but did not like to contemplate arrears of the size that would be suggested by the difference in these figures.

He stated that their gross figures for these adjustments amounted in all to a very large total—considerably larger than the gap remaining to be financed. The points about the ships and the taxes on Mutual Aid supplies were, of course, primarily questions of Canadian policy. The others, however, were points very largely of fact and interpretation, as the U.K. believed that it was the intention of the Canadian Government that the U.K. should not be out of pocket as a consequence of the operations of the Canadian forces. Difficulties arise in part, however, from the accounting troubles being experienced by the U.K. authorities, who are not able to provide the Canadian departments with all the documents and accounts which they would like to have. Lord Keynes said that these various points were being set out in a paper which he would give to Dr. Clark tonight. The second part of the paper, relating to Stage 2, is not yet ready but would be prepared very shortly.

The meeting closed with a brief discussion of how much of the material that had been covered during the morning might usefully be discussed at the meeting of the Mutual Aid Board in the evening. It was decided that it would be most useful for the Mutual Aid Board if Lord Keynes could deal briefly with the general financial background of the U.K. situation and with the nature of their views in regard to Stage 2 and its relation to Mutual Aid.

[R. B. BRYCE]

504. DF/Vol. 4369

Mémorandum du haut commissariat de Grande-Bretagne

Memorandum by High Commission of Great Britain

TOP SECRET Ottawa, August 1, 1944

OUTLINE OF DISCUSSIONS TOWARDS A FINANCIAL SETTLEMENT

For many months past the financial arrangments between the Dominion and the United Kingdom have been on the generous lines that any deficiency of sterling area resources has been automatically made good by Mutual Aid or equivalent means. This method of handling has been, in fact, so much more generous than that employed by any other member of the British Commonwealth or Ally, that it did not seem to the British Treasury to be worth while, in the pressure of war, to discuss the accounting basis in the detailed way which would have been proper and necessary if a matter of cash payment had been in view. The choice of method appeared to them to be largely a question of domestic Canadian accounting; namely, whether a particular item of expense should be charged to a Mutual Aid or to a Defence Appropriation.

In the course of time, however, this has led to a very anomalous state of affairs, in which the underlying realities of the situation are liable to be obscured and a position is reached which is difficult and inconvenient to both Treasuries alike.

This may be so for two reasons. In the first place, Canada has always taken the line that she is financially responsible for her own direct war effort. But, as will be shown in what follows, this is no longer directly and explicitly the position, as it should be. Canada is, in fact, meeting part of the cost of her own war effort *via* the Mutual Aid appropriation, although the latter purports to be a financial contribution to the Allied war effort. In the second place, as a result of this, the Mutual Aid appropriation has to be inflated, if it is to fill the gap, to a figure which might appear to the public to be somewhat out of proportion, thus making the provision of adequate aggregate assistance politically difficult to defend; whereas an increase in the Defence Appropriation, by charging to it what properly belongs there, would be merely implementing what Canadian public opinion already accepts as right and proper, namely, that this Appropriation should bear the actual share of the costs of the common war which corresponds to the Canadian direct participation in operations.

The British Treasury representatives, therefore, suggest that in the course of the present discussions, the following matters should be examined:

1. Certain criticisms or suggestions, set forth below, relating to the accounting basis, which has gradually grown up, largely, but not entirely, concerned with the various respects in which the British Exchequer appears at present to be bearing costs which arise out of the Canadian share of operations.

2. A suggestion that the 1944/45 apparent excess of requirements over the Mutual Aid appropriation might be cleaned up out of the various items

brought forward under (1) above, with the accountants on both sides crying quits as at March 31st, 1945.

3. A new and much simplified arrangement as from April 1st, 1945, as set out in the last section of this memorandum.[246]

I. THE ACCOUNTING BASIS BETWEEN CANADA AND THE U.K.

In several respects which are discussed in detail below there seems to be a *prima facie* case for re-examining the accounting basis between Canada and the U.K. from which the residual amount to be covered by Mutual Aid results. Hitherto the U.K. Treasury, for the reasons explained above, have acquiesced in, or agreed to, a number of arrangements which have the effect, and cumulatively a considerable effect, in inflating this residual difference. For the sake of clearness the points raised below are stated more categorically and with a greater apparent precision than the information, at present at our disposal, really justifies. We ask to be excused for this. We have thought that a frank presentation of the broad facts, as they have been represented to us by the Departments in London, will help on the discussion even if they turn out on examination to be imperfectly accurate or capable of a different explanation. For in so far as the Departments in London have been misled, it is important that they should learn the real facts.

The following analysis will show that the sums at issue are very large indeed. The U.K. Treasury feel that the time has now come when a determined effort should be made to arrive at a logical and reasonable basis of accounting which really measures the amount properly covered by Mutual Aid *after* Canada has borne the true expenses incurred on her behalf by the U.K. in respect of that part of the common war effort which is Canada's own.

1. *The Sales and Exchange Taxes*

It is understood that manufacturers of munitions are liable in the first instance to certain taxes. When these products are subsequently exported, there is generally speaking a rebate. For example, if the munitions are supplied to an American or other foreign Power, the tax element is refunded. When the United Kingdom were meeting payments for munitions out of the billion dollar grant a similar refund was made. It seems on the other hand that for the past year or more the full amount of taxes has been charged against Mutual Aid. This would only be even technically correct, if that part of the total expenditure which is applied to munitions is particularly selected out of the total expenditure in order that it may be deemed to be chargeable on Mutual Aid, and none of it on the other receipts of the U.K. However this may be, is there sufficient justification for charging these taxes on Mutual Aid? It is from the point of view of the Canadian Treasury taking out of one pocket and paying into another, and merely means that the true financial burden of Mutual Aid is that much less than it appears to be.

[246]Voir le document 508.
See Document 508.

We have no exact information as to the amount of tax element included in the existing estimates of expenditure. The level of duties apparently varies widely between different types of munitions; merchant vessels are virtually exempt, but tanks have to pay as much as 20% of the net price. If duties were remitted on Mutual Aid contracts, we believe that the saving (i) retrospectively on the year 1943-44 and (ii) prospectively on 1944/45 might be as follows:

(i) *The period September 1st 1943-March 31st 1944.*

The following table shows disbursements by Mutual Aid Board in respect of munitions contracts financed by U.K. cash receipts account and by the Mutual Aid Appropriation. It shows the amount of duty included (on assumption that the proportion of duty to price is the same as in the D.M.S. figures), in $ millions.

	Disbursements		Duty as % of gross price	Duties contained	
	Cash	M.A.		Cash	M.A.
Aircraft	–	35.3	12	–	4.2
Trucks	–	211.4	13	–	27.5
A.F.V.'s	–	48.6	16⅔	–	8.1
Guns, ammunition	10.5	157.5	8	0.8	12.6
Merchant vessels	–	160.3	2½	–	4.0
Naval vessels	8.4	12.4	10	0.8	1.2
Misc. equipment	0.1	64.0	10	–	6.4
	18.9	689.5		1.6	64.0

In any case, presumably, we shall get back the $1.6 millions in respect of cash contracts; but it would seem that remittance of duty on Mutual Aid contracts would yield an additional $64 millions in 1943/44.

(ii) *The Year 1944/45.*

D.M.S.[247] estimates production on our account in 1944/45 at $1,667 millions. On this footing, the amount of duty included might be about $180 millions; for there are more high-tax items in our programme for 1944/45 than in 1943/44. The Finance Department, however, estimates the prospective payments at no more than $1,247 millions. Judged by the actual experience of the second quarter of 1944, this may be nearer the mark. In this case the duty element might be about $133 millions. To the extent that the programme is deemed to be partially financed by funds from U.K. Cash Receipts Account, there would be an automatic rebate of some part of this. But for purposes of calculating the balance of payments, if it is agreed that Mutual Aid contracts should be exempt from tax, the whole $133 millions should clearly be subtracted.

2. *The Capital Cost of Ships charged to Mutual Aid*

The ships, which are being built in Canada and made available to the British Ministry of War Transport are charged to Mutual Aid although they

[247]Department of Munitions and Supply.

remain Canadian property. We contested this on principle last year. Nevertheless there did not seem any very strong reason for pressing this so long as Mutual Aid was sufficient to cover the whole of the difference, since the issue became one of internal Canadian accounting. In so far, however, as there is any question of Mutual Aid being insufficient to cover the gap, so that accounting methods may affect the question of a possible payment by the U.K., then it would seem *prima facie* unreasonable that we should be required to pay for ships which do not become our property. We have no accurate estimate of the amounts involved, but the figure of $150 millions has been mentioned for 1943/44, and a further $100 millions for 1944/45.

3. *The Capitation Payments*

This is a complicated issue where no final settlement has yet been reached between Canada and the British War Office. There can be no doubt, however, that the provisional basis under which the capitation rate is being charged very considerably under-estimates the out-of-pocket expenses in which the British War Office is involved in respect of the Canadian forces. It does not seem very satisfactory that the British Treasury should in fact bear an important part of the actual cost of the Canadian forces abroad and that this out-of-pocket loss should then have to be made good by what in form appears to the outside world as a gift from Canada.

In arriving at the correct figure two partly separate and partly overlapping issues arise.

The first is the question of what figure is appropriate on the basis that the Canadian forces are not in action. The difficulty here is that the Dominion authorities are accustomed to much more meticulous accounting in matters of detail than has proved practicable in United Kingdom in war conditions. We have had the same difficulty in reaching satisfactory conclusions with the United States and other Dominion authorities. The War Office represent that if they were to be in a position to provide the full detailed accounting figures which the United States and the Dominions have asked from them, it would involve employing a number of accountants and clerks, which might run into two or three divisions. They argued convincingly (at any rate in Dunkirk days) that it is more important to fight the war than to satisfy auditors. But most inconvenient delays and a somewhat indeterminate outcome have been the result. Indeed the present methods of discussion have so greatly delayed the fixing of definitive capitation rates that we have been unable as yet to obtain Canadian agreement to a rate, other than provisional, for any period subsequent to 30th September, 1942, although the rate should have been revised at six months intervals, in accordance with the changes in costs which have inevitably occurred since the original date. The British War Office would like to see the rates settled on a simpler system, the general basis of which would be that whilst, of course, they have no desire to overcharge C.M.H.Q. for the upkeep of their forces, there is little to be gained against the general background of the financial relations between the two countries by attempting a minute calculation of details.

Whilst it is believed that for one reason or another provisional rates are too low even on the present assumed basis of charges, it is, of course, impossible to give an accurate estimate of the cumulative undercharge up-to-date.

Secondly, there is the further issue that the basis on which we are attempting to work out the capitation rate is not based on the full cost of maintaining Canadian forces when engaged on active operations. The capitation rates which have been under discussion have been based on the average U.K. Army organisation and therefore represent appreciably less than the Canadian order of battle. Here also it is not possible to give the exact estimate of the increase involved in bringing the charge to the basis of the actual costs. The War Office think that $100 million per annum is a fair estimate but it might be more.

4. *The Cost of Advanced Air Training in U.K.*

This question has been raised previously on the ground that the U.K. are involved in considerable expense on Canadian account for which they have not received sufficient return. It has been contested on the Canadian side on the ground that the principle of charging this item on the U.K. should be regarded as part of the general agreement relating to the finance of air training and as a *quid pro quo* for Canada bearing a high proportion of the costs of training which take place in Canada. We are, however, informed that those concerned in London question whether there is much substance in the contention that the high cost of E.A.T.S. [E.F.T.S.?] borne by Canada is an adequate quid pro quo for the U.K. bearing the cost of advanced training of R.C.A.F. personnel outside Canada. Actually the Canadian share of the cost of E.A.T.S. [E.F.T.S.?] is in strict relation to their proportion of the personnel concerned. If Canada accepts the principle that they should bear the full cost of their forces, it would seem to follow without much question that this commitment also should be accepted. This would be again an example of the principle that the U.K. should not be put in the position of having to ask for Mutal Aid until after Canada has fully discharged actual expenses which the U.K. have incurred on behalf of the Canadian forces.

The amount involved is $120 millions per annum based on the numbers under training a year ago. If the liability is accepted, this amount would be properly chargeable for a period of more than one, perhaps as much as two, years, but being based, as mentioned above, on the numbers under training a year ago, it may require some revision for the current year.

5. *The Cost of Reserve Stores*

This also is not a new matter. Under the existing system Canada is only charged with stores as from the date when they are actually delivered to the Canadian forces. This, of course, falls considerably short of the out-of-pocket expenses actually incurred, for military operational needs require that there should be a very large quantity of stores in regular flow between the factories all over the world and the actual theatres in which they are delivered to the Canadian forces; moreover, in all theatres, considerable reserves, both of a strategic and of a tactical nature, must be held available. In the sort of war in

which we are engaged, these quantities in reserve and in transit form a very large proportion of the total munitions requirements of the Services. It is true, of course, that these reserves and stores in transit are not specifically earmarked for the Canadian forces, but an appropriate proportion must be properly attributed to them. This principle has already been acted upon by Canada in its application to the U.K. in the Air Training Agreement of June 1942[248] which provides that the United Kingdom will assume liability for the sum representing one-half of the established cost of the Combined Training Organization to March 31st, 1945, less certain payments by Australia and New Zealand. In the interpretation of this Agreement the cost is regarded as including all expenditure necessarily incurred in connection with the organization including purchases of equipment whether required for immediate use or for reserve. The Agreement itself does not refer explicitly to reserves but our representatives have accepted this interpretation without question and regard these costs as being necessary and reasonable elements in the total cost of the claim.

This is, of course, of the nature of a capital charge. To assess charges to the Canadian forces for this purpose as a regular annual payment, while at the same time charging them with stores as they are issued, would certainly involve double counting. But as stores are issued to the Canadian forces a corresponding quantity must be replaced in the reserve and in the pipeline, so no double counting can possibly arise if a capital payment is made in respect of the due proportion of the total reserve and stores in transit. Without such a capital charge, indeed, the British are, in effect, being asked to carry the entire overhead of the Canadian military establishments under their strategic responsibility. The actual amounts involved are substantial but further work would have to be done to make them at all precise. The Air Ministry estimate very tentatively that they hold reserve stores against requirements of the R.C.A.F. of $100 millions to which they add a further $250 millions in the pipeline. The War Office is unable as yet to give a figure but it must certainly be very considerable; the total British Empire production of army equipment is of the order of $5,000 millions a year and, even if reserves and stocks in transit represented only three months' production and the Canadian Army represented only one-eighth of the British Empire forces, the quantity attributable to them would be some $150 millions.

These figures are, of course, gross and are subject to various offsetting items, for example in respect of the Canadian or Lend-Lease element in supplies issued and charged to the Canadian forces. But these offsetting items are certainly of altogether less order of magnitude than the substantive figures. Full particulars are not yet available, but preliminary enquiries have yielded the following results:

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[248]Voir C. P. Stacey, *Armes, hommes et gouvernements: Les politiques de guerre du Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 619-34.
See C. P. Stacey, *Arms, Men and Governments: The War Policies of Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 564-78.

(1) The War Office estimate the Canadian element in supplies issued and charged to Canadian forces at $16 millions for the financial year 1943/44. A similar proportionate element would, of course, enter into the reserve stores if Canada were to pay for them but we cannot estimate this until there is a better estimate of the value of the reserves for which the War Office are responsible (see above). In Air Ministry stores, which are a major item of cost, the Canadian element is very small indeed. In the above figures we have included all supplies of Canadian origin, although some of these were purchased for cash and not obtained on Mutual Aid terms. This clearly loads the figures to a certain extent in Canada's favour.

(2) In principle Canada is not charged with Lend-Lease supplies, and, in so far as the latter are unidentifiable, Canada receives from us a calculated rebate which is refunded; Canada is then left to settle the matter with the United States. The amount involved under the existing arrangement may be of the order of $15 millions for Air Ministry stores only.

It seems clear from the above analysis that the cost of reserves and stocks in transit to be borne by Canada is several times greater than any reasonable estimate of the offsetting items. We cannot yet place a firm figure on this cost but it seems quite possible that the net charge to Canada might be of the order of $500 millions.

To avoid any possible misunderstanding, it should be pointed out that these reserves and stocks in transit do not relate to partly finished munitions or munitions in process, but are wholly additional to the capital locked up in the latter form. It would not be appropriate to bring in the question of munitions in process in this context since this presents, of course, the same problem to Canada in respect of the munitions being manufactured there as it does to the U.K. The reason why the cost of reserve stores is at present falling wholly on the U.K. is that the British Departments take delivery at the beginning of the process of distribution and consequently are held liable for their cost at a much earlier date than that at which the corresponding munitions are delivered to the Canadian forces in the field.

6. *The Effect of Relative Prices*

The position here is difficult to ascertain and we do not propose to bring it into the calculation. Nevertheless it seems worth mentioning in this context.

The Departments in London seem to know very little as to how the Canadian prices are built up. But we are told that they find it difficult to reconcile known deliveries with the expenses which have been charged, unless Canadian prices are very appreciably in excess of British prices. In so far as this is the case, Canada is in effect putting the munitions into the Empire pool at one price and taking them out for the use of the Canadian forces at another price. Evidently this is one of the anomalies to which the present basis of accounting, under which the U.K. pays for all the munitions she uses, may very well lead.

We have been given one or two examples which might be worth examining. The reported Canadian cost for Mosquito airframes is $56,000 as compared

with a cost of $40,000 in the U.K. This is believed to be in line with the general level of relative costs. Twelve months ago, however, the Ministry of Aircraft Production were given an estimate of $500,000 per airframe for Canadian-built Lancasters. A comparable U.K. figure is $100,000. Whilst M.A.P. do not know how the above figure of $500,000 is made up, they find it difficult to see how it can be so high. It is an unsatisfactory feature of past arrangements that, so long as we believed that Canada was meeting the cost, whatever it might be, we did not consider it our business to look into the matter ourselves. It would seem extremely probable that in the case of the Lancasters there may be some misunderstanding, but that the matter should be left like that without any examination and without our hitherto having asked for one, is not very satisfactory. We must repeat that this is one more consequence of our having regarded the Canadian charges as not effectively our business.

7. *The U.K. as a Residual Claimant on Mutual Aid*

The present system is apparently that UNRRA and all the other Allies get their Canadian expenditure met in full out of Mutual Aid and the U.K. is left with the residue which might represent a dividend of 66 per cent or less of total expenditure. Since the U.K. has borne a greater financial responsibility than anyone else and is in fact more deeply encumbered, exactly the reverse procedure might be more easily justified. At any rate we would urge that this method of accounting deserves reconsideration, and that in the event of the total aid being insufficient all those concerned should share a responsibility for the deficiency in their proper proportions.

8. *The Outstanding Liability in Respect of the Air Training Scheme up to June 1942*

It should not be overlooked that there is one substantial item which counts the other way. The U.K. have an outstanding liability estimated at $200 millions in respect of the Air Training Scheme up to June 1942 which has never yet been brought to account. If, as we hope, the whole question of accounting will be gone into afresh with full regard to the various considerations urged above, then we should expect that this also will be brought to account as an offsetting item. Clearly there are strong arguments for getting it out of the way; and some of the items mentioned above could perhaps be conveniently regarded as an offset to the $200 millions here in question.

9. *Possible Arrears of D.M.S. Payments*

It would be very helpful if we could know the explanation of the wide difference between the D.M.S. estimate of $1,567 millions for munitions during the current financial year and the Department of Finance's figure of $1,247 millions. Is the difference due to different estimates as to the amount of goods which will have been delivered, or to different estimates of the amount which will have been brought to account? In the latter case does it mean that there are considerable arrears being carried forward? If there are such arrears being carried forward, then it is suggested that any such arrears should be

brought into any general settlement relating to the period up to March 31st, 1945.

II. A SUMMARY OF THE POSITION UP TO MARCH 31, 1945

The latest estimate available to us of the deficit in the current financial year on the existing basis is as follows: (all figures in millions of Canadian dollars)

Sterling Area Payments

Munitions	1247
Food for U.K.	534
Other imports	468
Services, etc.	271
Total	2,520

Sterling Area Receipts

Exports	215
Services, etc.	149
Payments for Canadian Forces Overseas	801
Total	1,165

This shows a deficit of 1355, which should be reduced by 91 because of payments on capital account and currency and other adjustments, leaving a figure of 1264.

The carry over from the old Mutual Aid appropriation, together with the residue of the new Mutual Aid Appropriation available for the sterling area, is estimated to provide 596, leaving a gap of 668 so far unfilled.

If, as is proposed, Canada assumes the cost of 14 additional squadrons, estimated at about $85 millions for the current year, the prospective deficit is reduced to $585 millions.

It is not easy to arrive at a reliable total of the various items set forth in Section I of this memorandum. But the following may give a rough idea of the order of magnitude involved:

	$ millions
Rebate of taxation	200
Capital cost of ships	250
Capitation Payments	100
Advanced Air Training	200
Stores in reserve and pipeline	500
	1,250

Against this there is the United Kingdom debt of 200 for Air Training and arrears due in respect of munitions delivered before March 31, 1945 but not brought to account.

It may well be that some of these items will not survive scrutiny and criticism or may be considerably reduced in amount. Nevertheless, unless London is very seriously in error, there would appear to be enough in hand to cover the assumed gap of 583.

505. DEA/154s

Mémorandum du haut commissariat de Grande-Bretagne

Memorandum by High Commission of Great Britain

TOP SECRET Ottawa, August 5, 1944

CANADA'S SHARE OF THE WAR EFFORT IN REAL TERMS

It may serve as a useful background for the suggestions which we have put forward if an attempt is made to estimate the Canadian share of the aggregate war effort during the current year. Getting away from financial measures and dealing in terms of physical output and fighting force, inevitably calculations of this kind are not exact. But it is believed that the figures given below are sufficiently close to the right order of magnitude to throw light on the realities of the position.

This method of measurement is particularly significant if in Stage II it is intended that the precise form which the Canadian contribution takes should be changed whilst maintaining her proportionate share in the neighbourhood of the present level.

(i) *Canada's Proportion of Fabrication*

The following table shows the percentage distribution by sources of supplies of munitions to the British Empire pool at end 1943. These are calculated on basis of physical output at common prices:

	U.K.	Canada	Rest of the Empire	U.S.A.	Total
Navy (including merchant ships and repairs)	13.4	2.8	0.6	3.5	20.3
Army	20.9	6.3	1.4	13.9	42.5
Air	26.0	1.3	0.3	9.6	37.2
Total	60.3	10.4	2.3	27.0	100.0

Thus it appears that Canada is producing about one-tenth of the total supplies to the British Empire forces and Allied forces (including Russia) in so far as they are supplied from the British pool; about one-seventh of the total British Empire production; and about one-sixth of the U.K.'s own contribution. Canada's contribution can also be re-arranged in the following form:

Canadian Production as Percentage of

	Total supplies to Empire	Empire Production	U.K. Production
Navy (including merchant ships and repairs	14	17	21
Army	15	22	30
Air	3	5	5
Total	10	14	17

(ii) *Canada's Proportion of Fighting*

It is less easy to determine the proportion of the British Empire fighting—that is to say of the consumption of munitions—for which the Canadian forces are responsible. It certainly cannot be done by counting heads, for the Canadian fighting effort is very highly concentrated in heavy bomber squadrons and in spearhead troops; these forces' expenditure of equipment is far in excess of that of the average squadron or division. On the other hand, Canada's naval effort is concentrated in the escort field which calls for less equipment per man than is needed to maintain the battle fleets.

We are not in a position to embark upon the detailed comparative review of military statistics which would be necessary in order to establish Canada's fighting share on a firm basis. But in the year 1944/45 in which the whole overseas Canadian Army will probably be continuously engaged at a high level of battle activity and in which the Canadian-manned heavy bomber squadrons are likewise very fully employed, we do not think that Canada's share of the fighting being done by the forces of the British Empire can be much less than one-eighth. In the air the proportion is certainly materially greater than this having regard both to the numbers of Canadian personnel and to the high proportion of heavy bomber squadrons. At sea the proportion is certainly somewhat less. But this figure of one-eighth would seem to us a reasonable over-all average which could be properly applied for the purposes of these calculations.

(iii) *The Relationship between Canada's Production and her Consumption of Munitions*

If the above statements can be accepted as approximately correct, Canada's consumption of munitions in real terms must be in the neighbourhood of seven-eighths of her own production. Let us now compare this with what is happening in financial terms.

Canada's total munitions production in 1944/45 is approximately $1,950 millions made up as follows:

Canada's War Appropriation	500
War Supplies Limited	150
Supplies to U.K. and other foreign countries	1,300

	1,950[249]
	or, say, 2,000

If her consumption is seven-eighths of this, it follows the amount she would have to pay out on the other side for munitions consumed would be 1,750. In fact the amounts paid out may be estimated at:

Canada's own direct supply as above	500
Capitation payments in respect of munitions	500[250]
	1,000

The financial transactions thus suggest that Canada's forces consume only about one-half of Canada's munitions production. This could be consistent with the facts of Canada's share of British Empire munitions production (namely one-seventh) only on the obviously absurd assumption that Canada's forces will in 1944/45 do only one-fourteenth of the Empire's fighting.

This rough reckoning suggests that on the existing basis Canada's payments for munitions supplied to her forces by Britain may be some 750 less than they should be. The calculation is inevitably rough and overmuch significance should not be attached to this figure.

We have previously argued that (apart from arrears which apply most particularly to reserve and transit stocks) the true cost of keeping Canada's forces supplied in 1944/45 should include at least an extra 100 for bigger army capitation payments, 85 for additional squadrons and 120 for advanced air training, together with some 1944/45 contribution in respect of reserve and transit stocks. These are not all munitions payments of course; but they are specific examples of points at which we think Canada's payments are too low.

The remainder of the 750 short-fall is probably explained by the difference in prices which, except in cases in which Canadian equipment is clearly distinguishable from equipment produced in other sources, must result in munitions being charged by the British to the Canadian forces more cheaply than Canada charges on British orders for the same munitions. There is clearly a wide variation between British and Canadian prices; for example, aircraft prices in Canada are double those in the U.K., but Canadian truck prices are probably somewhat lower than those of U.K. But the figures in these tables would be consistent if the calculation were correct in other respects with a

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[249] La note suivante était dans l'original:

The following footnote was in the original:

The 1,300 figure for supplies to the U.K. and other foreign countries follows from the Department of Finance estimate of 1,247 for U.K. and Empire; the 500 for War Appropriation and 150 from W.S.L. are from D[epartment of] M[unitions and] S[upplies] returns deflated in the same ratio as the Finance Department deflated the U.K. and Empire figure given by D.M.S.

[250] La note suivante était dans l'original:

The following footnote was in the original:

Total capitation payments for 1944/45 are estimated at 570, a proportion of which is for non-munition stores, e.g. petrol.

general view that the prices charged for Canadian munitions are, on balance, about 25%-50% higher than U.K. costs.

We believe that the physical facts of Canada's production and consumption of munitions support our contention that the financial arrangements between the two countries fail to represent reality. We do not in the least suggest that this is other than a pure accident of the way in which events have developed; in particular, the entry of the whole of the Canadian overseas army into active operations makes a tremendous difference. But it would seem to us undeniable that, when the financial arrangements lead to a result obviously so different from the physical realities, those arrangements should be modified.

506. DEA/154s

Mémorandum du haut commissariat de Grande-Bretagne

Memorandum by High Commission of Great Britain

SECRET AND CONFIDENTIAL Ottawa, August 6, 1944

STATISTICS BEARING ON THE DIMENSIONS OF THE UNITED KINGDOM'S PROBLEM OF EXTERNAL FINANCE IN THE TRANSITION

1. It is generally recognised that the problem of British external finance after the war will be greatly aggravated compared with 1919, because (1) the absolute amount of our overseas indebtedness is much greater, (2) the loss of our foreign investments available as a reserve is more complete, and (3) the current adverse balance of overseas trade which we shall have to meet by an increase of our exports is much larger.

2. It is not so generally recognised that, in addition, two considerable mitigations which were present last time will be absent. The policy of restraining the rise of prices has many advantages, but it will greatly increase the real burden of indebtedness as fixed in terms of money. The other outstanding difference is that last time we borrowed money from the United States which we used to meet our requirements in all parts of the world, so that we ended the war without abnormal indebtedness to any other country; whereas this time the United States has only aided us with goods she could herself supply and has not furnished us with cash to buy goods from elsewhere. Thus, nearly the whole of our 1914-18 external debt was canalised into the American debt—and that we shuffled out of. On the assumption that this time we intend to pay, the fact that we owe money all over the place has, as we shall see, some important offsetting advantages to our export trade. But it means that the effort required to emerge without loss of honour, dignity and credit will be immensely greater.

3. The Government's post-war domestic policy is based on the assumption that we shall be able to import all the raw materials and foodstuffs necessary to provide full employment and maintain (or improve) the standard of life. This assumption is, at present, an act of blind faith. No means of making it good has yet been found. The object of this memorandum is to analyse the dimensions of the problem, reserving, for the moment, the means of solution.

4. So long as lend-lease and Canadian Mutual Aid continue, the true situation is masked. The following is an approximate balance-sheet of the British overseas position in 1943:

Total Expenditure	£ Millions		Total of Receipts	£ Millions	
I. Expend. not met out of L/L and M/A			I. Receipts outside L/L and M/A		
General Imports	590		General Exports	300	
Overseas War Expend. on Munitions and U.K. forces abroad	750		Earnings from Dom. contributions to war expend. and American forces in U.K.	280	
Other "invisible" payments	250	1,590	Other "invisible" income	360	
			Net overseas indebtedness & loss of assets	650	1,590
II. Expend. met out of L/L and M/A					
General Imports	560		L/L and M/A received	1,710	
Munitions & ships	1,150		Less M/A accorded	500	
				1,210	
			M/A accorded by U.K.	500	
		1,710			1,710
		3,300			3,300

5. This table can be re-arranged as follows:

I. General Imports	1,150		I. General Exports	300	
"invisible" payments	250		"invisible" income	360	
		1,400			660
II. Overseas War Expend. on Munitions etc. & U.K. forces abroad		1,900	II. Receipts for war expend. on behalf of Dominions and U.S.	280	
			Mutual Aid accorded to Allies	500	
			L/L and M/A received less M/A accorded 1,210		
					1,990
			III. Net Deficit		650
		3,300			3,300

If all military expenditure were to cease to-morrow the imports of food and raw materials which we should require, whilst to some extent changed in character, would not be reduced in amount since there will be more, not fewer, men in the country to consume food and to be employed in working up raw materials. Provisional estimates which have been made indicate that at the prices of 1943 that year's figure of £1,150 millions for our imports would not be much below our import requirements in the first post-war year. Thus if overseas war expenditure and receipts, and lend-lease, and mutual aid given and received were to cease immediately, the absolute amount of the net overseas deficit on current account would be actually greater than it is now by about £90 millions a year, or say £750 millions a year, unless and until it can be covered by increased exports and increased "invisible" income from shipping, etc. Indeed, it is clear that there will be no time-lag in our import needs, except to the limited extent to which we can live on stock-piles, surplus stores and salvage. Perhaps the aggregate amount of the once-for-all relief from this source might be guessed at £300 to £400 millions, but our stocks are so ill balanced that the enjoyment of this relief would have to be spread over a period. More accurate statistics bearing on this are expected from the Ministries of Supply and Food. On the other hand, there will be a considerable time-lag in the development of exports to fill the gap and a still longer lag in the date of payment for them. Even if the export deficit can be made to taper off over a fairly short period of years, the accumulated excess of imports over exports, before equilibrium is reached, will be very large. If we were to increase our overseas income, visible and invisible, by £250 millions in the first year, by a further £200 millions in the second year, by a further £150 millions in the third year, and by a further £250 millions in the fourth year, thus reaching equilibrium on current account in the fourth year, which would be a tremendous and, probably, impossible task, the cumulative deficit would nevertheless amount to £1000 millions in the first three years. At any rate, it is clear that this rate of progress is altogether out of the question, unless immediate active preparation is made for the recovery of export markets.

6. So far it has been argued that all overseas war expenditure will cease forthwith at the end of the war. In fact this will not be the case. For reasons both of security and of transport the demobilisation and repatriation of troops will necessarily be spread over a considerable period; and meanwhile heavy expenses will continue to be incurred overseas. It is also believed that the British forces will be asked to accept a major responsibility for the occupation of enemy territory after the end of hostilities. Our cash expenditures abroad on military account, which amounted in 1943 to about £750 millions a year, will not suddenly sink to zero when the war comes to an end. At present we can make no reasoned guess as to the rate at which or the period over which such expenditure will continue. Further, on the basis of our present policy (which has been entered upon more or less regardless whether we can afford it,) relief and reconstruction abroad will be another large source of expense. To begin with, there is our contribution of £80 millions to UNRRA. This does not (at present) include our share of the cost of relief to enemy countries or of relief

during the military period elsewhere. The possibility of contributions to the projected Bank for Reconstruction and Development must also be taken into account. Finally, it is strongly argued in some quarters (and with considerable force) that there are important markets in which we shall not get a footing for our exports unless in the early years we are prepared to furnish a considerable volume of goods on credit. What the cumulative total of all this is likely to be in the early period, it is very difficult to guess. Would anyone care to put it at less than £500 millions net in the first three years after the war, unless there is a considerable change in the present trend of policies?

7. The above makes no provision for the liquidation of overseas war indebtedness largely in the shape of demand-balances accumulated in London, which at present can be drawn upon with varying degrees of freedom. Finally, therefore, there is the question of the lowest rate at which we must allow these balances to be repaid and drawn upon, if we are to maintain our honour and credit. The largest elements in the total indebtedness, as for example, to India, are not, in this connection so dangerous in proportion to their amount as the smaller sums which we owe to a great variety of smaller creditors. Once we owe (say) £500 millions to India, which is far greater than we can possibly discharge in the early period, a further increase to £1,000 millions does not really affect the dimensions of the early-period problem. Thus we have to regard the composition of the debt as well as its aggregate. In particular there are certain claims against us to which we shall have to accord a high priority. The Crown Colonies have lent to us the whole of their currency reserves. The populations of these countries are full of money and starved of goods. Can we by blocking the reserves held against the money, compel them to remain in this position for an indefinite period? We also hold the greater part, or the whole, of the currency reserves of Ireland, India, Egypt and Palestine.

8. Apart from the larger creditors and excluding certain less liquid liabilities, the following smaller and more dependent or necessitous countries held sterling resources in London at the end of March 1944 as follows:

	£ Millions	
West African Colonies	76	
East African Colonies	72	
Other British Africa (excluding South Africa)	34	
Ceylon	39	
Malaya	95	
Hong Kong	32	
British West Indies	54	
Palestine	93	
Other Colonies and Mandates	79	574
Iraq	64	
Netherlands and Colonies	53	
Belgium and Colonies	17	
Free France and Colonies and French blocked balances	64	
Norway	43	
Greece	59	
Iceland	9	
China	21	
Persia	15	345
		919

9. There are, in addition, the following liabilities of more varying degrees of urgency:

(a) the balances in the major sterling area countries whose currency reserves we hold

	£ Millions
India	797
Egypt	297
Eire	93

(b) the balances of the sterling area Dominions

	£ Millions
Australia	77
New Zealand	22
South Africa	24

(c) the secured loans, &c., from the United States and Canada

	£ Millions
United States	79
Canada	162

and (d) the Special Account balances owing to South America and neutral Europe

	£ Millions
Argentina	52
Brazil	23
Other South and Central America	12
Portugal (a gold liability)	62
Other neutral Europe	16

10. The grand aggregate, as at the end of March, 1944, stood at £2,670 millions. By the end of 1944 the figure will exceed £3,000 millions. Admittedly a considerable proportion of this, say, a half or even two-thirds, can be funded,

or represents normal working balances and currency reserves which will be maintained and therefore, constitute no immediate danger. (Nevertheless even this half will add considerably to our future burden if any significant amount of interest is payable on it.) It is the remaining one-third to one-half, i.e., £1,000 to £1,300 millions as at the end of 1944, which is dangerous, because it represents entirely abnormal accumulations which the countries concerned will certainly seek to withdraw at the earliest opportunity. Unless, therefore, steps are taken to the contrary, it would be prudent to assume that during the transitional period as a whole attempts will be made to utilise at least £500 millions, either in the shape of British exports or by demanding foreign currency in exchange.

11. As matters now stand and before reckoning any relief from the application of the various remedial measures open to us, we are left, therefore, with the following prospective deficit during the transitional period of (say) the first three years after the war.

	£ Millions
Excess of normal imports over exports (visible and invisible)	1,000
Overseas cash expenditure arising out of the war (i.e. liquidation of war expenses and demobilisation in overseas theatres, costs of occupation, relief, re-construction loans, export credits, etc.	500
Repayment of abnormal sterling balances	500
Total deficit	2,000

Nor is there any certainty that equilibrium will have been reached at the end of the three years. There is no need to stress the extreme precariousness of all the above estimates.

12. Nevertheless there are certain important reliefs from the above which it lies within our power to make and which certainly will have to be applied in greater or less degree. In the first place it is evident that the scale of repayment of abnormal sterling balances, which we should probably be called upon to make if we put no special obstacles in the way, estimated above at £500 millions in the first three years, can, if necessary, be avoided. Some repayments will be unavoidable, but it may be possible largely to offset these by a further growth of balances in other directions. Thus, to take an optimistic view, a *net* repayment of the aggregate of these balances might be avoided altogether in the first three years.

13. In the second place, as mentioned above, there are certain abnormal stocks of commodities which can be drawn upon gradually. Unfortunately in terms of value far the greater part of these stocks consist of wool, which can only be liquidated over a much longer period than three years if the current clip is also to be properly looked after.

14. In the third place, the above estimate of import requirements is based on a normal scale of importation of manufactured and semi-manufactured goods as well as of food and raw materials. If necessary—and probably it will be

necessary—whole classes of manufactured imports will have to be totally excluded during the transitional period.

15. By these various means the total deficit to be cared for might be brought down to (say) £1250 millions; and even less, if very stringent rationing of domestic consumption, continues to be enforced in certain directions, i.e. where consumption is at the cost of imports or loss of exports.

16. The weakness in this calculation lies in the assumption of so rapid and so large a recovery of exports within three years. The Board of Trade do not at present see their way to confirm the above estimates as being reasonably possible. Such an expansion will certainly be impossible unless the American Administration can be persuaded to regard an unfettered British export drive, beginning in 1945, as compatible with the continuance of lend-lease or equivalent aid. In this respect, what is political play to them is a matter of life or death to us.

17. Apart from these special difficulties which we shall hope to overcome, it is essential that our degree of demobilisation during Stage II must be sufficient, not only to allow the beginning of a return to more normal civilian standards, but also to provide an appreciable surplus for export. We have been fighting two years longer than the United States on a scale far more exhausting in relation to our resources, and we ought not to be asked to sustain much longer a proportionate effort so much greater measured in terms of sacrifice.

18. *The Gold and Dollar Balances of the U.K.*

A year before the outbreak of war our reserves were very substantial and stood at £1,043 millions. The expectation of war led to a large-scale withdrawal of foreign balances, and at the outbreak of war we were reduced to £620 millions. At the commencement of Lend-Lease (April 1941) we were practically cleaned out, having gold and dollar reserves of £66 millions with £63 millions gold liabilities against them, so that our net reserves were down to £3 millions. Thereafter came the Jesse Jones loan; the old (pre-Lend-Lease) commitments had been substantially met; almost all our current requirements from United States were for a time lent-leased; and the Sterling Area was beginning to gain substantial earnings from the United States troops; with the result that our reserves began to rise quite steadily. They are likely to reach a peak between £400 and £500 millions before the end of 1944. Unfortunately, a livelier awareness by the United States Administration of this recovery in our reserves than of the much greater depletion of our net resources has led to a substantial curtailment of lend-lease facilities, and at the same time a reduction of our earning power corresponding to the increase in reverse Mutual Aid, with the result that we are now mainly dependent on our precarious earnings from the United States troops in the Sterling Area to prevent our reserves from falling. When the war in Europe is over, our dollar account may be seriously on the wrong side, i.e. our reserves will begin to fall, even if lend-lease continues as at present; whereas we have recently been warned that after the end of the German war the continuance of lend-lease facilities on the present scale must be deemed uncertain. Thus, as matters now stand, we shall be likely to emerge from the Japanese war with reserves materially less than

the £500 millions for which, at one time, we were hoping. Since reserves of about £300 millions probably represent somewhere near the bed-rock figure below which we should not allow our reserves to fall except for the gravest cause and in extreme urgency, it follows that, unless there is a change in the situation, the relief we can obtain by drawing on our reserves in the transitional period is so small in relation to our possible requirements that it is hardly worth bringing into the picture.

19. Fuller statistics of the gold and dollar reserves in relation to our liabilities are given below:

Reserves	31st Aug. 1938	31st Dec. 1939	31st Dec. 1941	31st Dec. 1942	31st Dec. 1943	30th June 1944
			$ millions			
Gross gold and dollar reserves	4,365	2,335	500	930	1,722	2,171
Less gold and dollar liabilities	–	–	115	240	422	557[251]
Net reserves	4,365	2,335	385	690	1,300	1,614[251]
Liabilities						
Quick liabilities (Banking liabilities & liabilities to Crown Agents & Currency Boards)	3,143	2,000	4,585	5,805	9,750[252]	1,1300[251]
Overseas Loans	–	–	460	1,235		

20. The increase in Reserves in 1942 and 1943 was not the result of our receiving lend-lease assistance on such a scale that our normal current earnings of dollars exceeded our requirements. The normal dollar earnings of the U.K. fell short of our own dollar requirements by $287 millions in 1942 and by $240 millions in 1943; and our total dollar earnings, including pay of U.S. troops in U.K., fell short by $237 millions in 1942 and $50 millions in 1943.

The sources from which we obtained the increase in our Reserves were as follows:

[251] La note suivante était dans l'original:
The following note was in the original:
Not yet available but estimated as above.

[252] La note suivante était dans l'original:
The following note was in the original:
Overseas loans not materially changed.

	$ millions	
	1942	1943
U.K. current a/c with U.S.	-287	-240
U.S. troops in U.K.	50	190
Rest of sterling area current a/c with U.S.	119	150
U.S. troops in rest of sterling area	194	365
Gold from South Africa for repatriation of South African sterling securities	15	167
Other gold and dollar movements (net)	214	-28
	305	604

Of the above items on the credit side, $828 millions represent dollars acquired from the rest of the sterling area, which has involved a corresponding increase in our liabilities, and $182 millions represent gold provided for the repatriation of South African sterling securities, which represents no increase in our assets.

21. A major improvement in our reserve position can only be achieved if the American Administration can be persuaded that it is as much in their interest as in ours to facilitate the growth of our reserves up to a level more commensurate with our responsibilities. As we approach the war settlement, it will not be convenient to either party that we should always have to plead *in forma pauperis* to be excused from full participation. It may prove politically difficult for the United States Administration to furnish us at a later stage with cash dollars, as distinct from assistance in kind, even though they may wish to do so; yet for many purposes it will be cash that we shall need. It will be a cause of general embarrassment if one of the three Great Powers responsible for settling the world has no free cash at all. The seriousness of this prospect is not as yet fully realized by those who will be most hampered by it if it arises. On the assumption that we end the Japanese war with net gold and dollar reserves not much above £300 millions, not only would the amount be negligible which we could regard as available; but our free resources would be entirely out of proportion to those of our associates. The United States would have sixteen times as much; Russia two to three times; France more than double; Belgium, Holland, Switzerland with comparable absolute amounts and much greater free amounts; and so on. Our position would be ludicrously out of proportion to our responsibilities. We should, therefore, aim at an end-war figure of at least £500 millions net and refuse to undertake any post-war liability to Europe or to anyone else until it was assured to us.

22. In the immediately preceding paragraphs, a continuing restriction on imports and on the level of domestic consumption has been indicated as a necessary ingredient in the solution. To understand the difficulty of this, it is necessary to appreciate the severity of the present restrictions and to experience at first hand the measure of cumulative strain and fatigue from which everyone in England is now suffering. So far as consumption is concerned, this is well illustrated by the following comparison worked out on the basis of the material

provided in the British Budget White Paper and in the U.S. Survey of Current Business for April 1944:

	1939	1940	1941	1942	1943
		United Kingdom (1939 = 100)			
Expenditure at current market prices	100	103	109	116	119
Expenditures at constant prices	100	88	82	81	79
Market prices (including indirect taxes)	100	118	133	143	150
		United States of America (1939 = 100)			
Expenditure at current market prices	100	106	121	133	147
Expenditure at constant prices	100	105	113	112	115
Market prices	100	101	107	119	129

This table shows that in real terms the intenser labour effort has been accompanied in U.K. by a reduction of 21 per cent in real consumption, whilst in U.S. it has been accompanied by an increase of 15 per cent. In other words, the war effort has allowed an improvement in the position of the American consumer relatively to that of the British consumer of nearly 50 per cent.

23. *Mutual Aid accorded by U.K.*

Mutual Aid accorded by U.K. is now running at about one-third of the aggregate Mutual Aid and Lend-Lease received.

Figures relating to British Mutual Aid trickle in months after the event and even now the record up to the end of last year remains incomplete. The following table, however, gives almost the whole story to December 31st, 1943.

Goods and Services

$ millions

	Up to June 30 1943	July/ Sept. 1943	Oct/ Dec. 1943	Total cumulative through Dec. 1943	Jan./ Mar. 1944
U.S.A.	114.0[253]	30.0	56.0	200.0	65
Russia	179.0	21.6	29.3	229.9	
China				7.0	
Czechoslovakia	12.4	1.8	1.7	15.9	
Greece	7.0	1.4	2.0	10.4	
Turkey	6.4	6.6	3.5[254]	16.5	
Portugal	—	8.6	1.0	9.6	
Total	318.8	70.0	93.5	489.3	

[253] La note suivante était dans l'original:
The following note was in the original:
Smaller by 10 than White Paper figure owing to downward revisions by M[inistry of] W[ar] T[ransport].

[254] La note suivante était dans l'original:
The following note was in the original:
Excludes Air Ministry aid.

In the case of the U.S.A. the above falls considerably short of the grand total up to March 1944 since it excludes the following which have also to be added in:

	£ millions
(1) Capital expenditure in U.K. afforded as reciprocal aid	155
(2) Goods and services outside U.K. afforded as reciprocal aid	50

(particulars of which are received seriously in arrears)

24. Assuming aid in recent months at approximately the same rate, total aid to the U.S. up to June 30th, 1944 was not far short of £600 millions, and to others about £400 millions, making a grand total approaching £1,000 millions. Mutual Aid to the U.S. on this great scale (which would be still greater if converted to equivalent American costs) has undoubtedly played a major part in creating a political and psychological background in which much else has been made possible. Nevertheless it has been, and is currently, far in excess of the U.K.'s net capacity to supply out of its own resources. The U.K. has had no net current overseas surplus out of which to make this return contribution towards the war expenditure of the U.S. From the balance sheet point of view she has had to borrow it where she could from almost every country in the world and thus incur a greater overseas war debt than would have been incurred otherwise. The balance sheet of international payments in paragraph 4 above shows that at the present time the major part of the overseas war debt, which the U.K. is now incurring, is in order to make the above contribution to the war expenditure of the U.S. This balance sheet aspect of the Mutual Aid (or reverse lend-lease) accorded to the U.S. must not be lost sight of, however necessary and inevitable it may be that, on the one hand, we should have to borrow in all parts of the world to balance our account in order, on the other hand, to keep up good appearances for political reasons in the U.S. It is certainly not an example of the joint pooling of war expenses according to capacity.

25. In the same context as Mutual Aid, it should be remarked that, apart from specific Mutual Aid, we have seldom charged the Dominions the full cost which we have incurred on their behalf for that part of the war effort which purports to be their own. Rather than bargain with those who have done so much for us, we have preferred to give way before any complaint which had any plausible ground behind it, even though it left us, in fact, out of pocket.

26. *The loss of pre-war overseas assets*

The above aggregates of war indebtedness incurred by the U.K. take no account of loss of pre-war overseas assets disposed of during the war in order that the growth of war indebtedness may be correspondingly less. The amount of such disposals was estimated by the Chancellor of the Exchequer in his Budget Speech at about £1,000 millions. The balance which remains is largely unmarketable and it is not easy to estimate its capital value. A recent attempt, however, has been made to estimate both what has been lost and what still remains on an income basis, as follows:

NET INCOME FROM INVESTMENTS ABROAD (£millions)

1938		1943		
Lord Kindersley's estimates of amounts distributed as interest and dividends to U.K. residents, including income tax thereon. (Lord Kindersley's estimates do not include any income from Eire)	185	Bank of England provisional estimates on a similar basis to Lord Kindersley's, but including Eire	122	
		less Eire	8	114
Undistributed profits, U.K. office expenses, etc.; believed to be estimated by Board of Trade at some	30	Undistributed profits, U.K. office expenses, etc., as in 1938; in addition, E.P.T.[255] and N.D.C.[256] paid by U.K. registered companies; dividends unpaid, or paid to the Custodian. In all, probably some 20/30, say		26
	215			140
Less, payments to non-residents on their investments in U.K. (in the case of Eire, a net payment) believed to be estimated by Board of Trade at some	15	say		10
U.K. net income	200			130

27. It would be unwise to capitalize the income for 1938 and for 1943 at the same rate. Dividends on equities are probably now higher than in 1938, and the fall in capital outstanding no doubt somewhat greater than simple comparison of the two incomes would indicate. Nevertheless the broad conclusion seems to be that about one-third has been disposed of or otherwise lost as a result of hostilities. If the pre-war value was round £3,500 millions, the remaining value is now round £2,500 millions.

28. Against this, we have to reckon with a net indebtedness on short term of £3,000 millions as at the end of 1944. The year 1945 might add £500 millions to this, and the post-war transition, on the basis of the most optimistic assumptions, will add not less than another £1,000 millions. (This calculation neglects both the small excess of reserves over net short term liabilities at the beginning of the war and the unpredictable level of reserves at the end of it.)

29. Thus the U.K. will have begun the war with a net creditor position of (say) £3,500 millions and will have ended it with a net debtor position of (say) £2,000 millions (*i.e.* £4,500 millions liabilities less £2,500 millions assets). Nearly the whole of this loss she will have incurred in favour, not of neutrals, but of her own Allies and Associates, as the price of their assistance in the common effort.

30. Now that the concluding stages are, we hope, in sight, weaknesses, which formerly it was necessary to conceal, it is now proper to confess. The object of

[255] Excess Profits Tax.

[256] National Defence Contribution.

doing so is to help all those concerned to view the position realistically. The object is not to make complaint. Whether wisely or unwisely, we have waged the war without regard to financial consequences deliberately and of set purpose. For better or for worse, it has been our own fault, as anyone who has spent the war in the service of the British Treasury must be well aware. The final outcome is the result of several ingredients. In the financial field we have never escaped from the consequences of the Dunkirk atmosphere, when we felt alone: that this is *our* war; that if anyone helps it is very nice of them, but we cannot, of course, expect that it should be otherwise than on their own terms; that so far as we, but not they, are concerned, the future must be entirely sacrificed to the overwhelming needs of the present; and that if anyone wants a *douceur* he must, in the interests of getting on with the war, have it. Of course this was never the whole truth,—in relation to the other members of the Commonwealth, for example. Nevertheless, our financial policy was vitally influenced by this ingredient of appeasement, right and inevitable once, not so clearly necessary now. Next there is our position as a Great Power, equal in authority and responsibility and therefore equal in the assumption of burdens. This is the ingredient of pride and prestige—easily understandable, but, too long continued, nevertheless short-sighted if pride and prestige are, in fact, to be preserved. And, finally, the most sympathetic and natural of all the ingredients, the habitual and almost unthinking open-handedness of a family which has always felt rich and for whom the acceptance of liabilities had become not so much a sacrifice as a convention.

31. Our own set habits are, in fact, the greatest obstacle in the way of changing the atmosphere. All our reflex actions are those of a rich man, so that we promise others too much. Our longings for relaxation from the war are so intense that we promise ourselves too much. As a proud and great Power, we disdain to chaffer with others smaller and more exorbitant than ourselves. Having been so recently in dire extremity, our financial diplomacy is rooted in appeasement. Above all, the financial problems of the war have been surmounted so easily and so silently that the average man sees no reason to suppose that the financial problems of the peace will be any more difficult. The Supply Departments have demanded of the Treasury that money should be no object. And the Treasury has so contrived that it has been no object. This success is the greatest obstacle of all to getting the problems of this memorandum taken seriously. And when we come to exports, no one ever seems to suppose that we need expect to be paid cash for them in full—exports for relief purposes, exports on credit, exports for prestige and propaganda, exports below world price so as to gain satisfied customers five years hence; never exports so that we can live.

32. *The Principles of Solution*

It is not the purpose of this memorandum to offer, or to debate, the solution. Nevertheless there are certain general principles to which we must hold henceforward with the utmost resolution, if we are to escape the natural consequences of the overseas financial policy which we have adopted hitherto. In conclusion, therefore, it may be useful to indicate one or two of them.

33. We do not intend to seek outside assistance in meeting the war debts which we have incurred to the other Sterling Area countries and to neutrals. We propose to meet these over a period of years in the shape of British exports and perhaps, in the case of certain neutrals, by a further disposal of our pre-war investments in their territories. But we shall ask those concerned to agree that, in view of the origin of the debts, the interest element shall be reduced to a minimum or altogether extinguished. That is to say, it is the capital sum which we shall endeavour to repay in full. Furthermore, subject to only minor exceptions, repayment must take the form of direct British exports, mainly additional to the normal course of trade, and cannot take the form of free exchange, of which we see no prospect of possessing a sizeable surplus in the foreseeable future. The abnormal war balances can be made available to those who own them only by instalments and only subject to these conditions. During the transitional period we may be able to arrange to allow certain transfers of indebtedness between our creditors within the Sterling Area. But in no case shall we agree to borrow outside currencies in order to make sterling war indebtedness available to buy exports from outside. All this is rooted in the inescapable necessities of the case. In so far as we find ourselves in a position to make exceptions, it will be the Crown Colonies which will have the first claim on us. That criticism and complaint is bound to arise on the part of other exporters, we cannot help.

34. To Canada and the U.S. which lie outside both the Sterling Area and the Special Accounts system, we owe so far no war debts, except certain secured loans of relatively small amount (£79 millions to U.S. and £162 millions to Canada), of which the debt to Canada carries at present no interest. We shall urge with all the force in our power that ways be found by which this freedom from war debts can be maintained for the remaining period of the war, and that uncovered indebtedness to Canada and the U.S. begins only with the peace.

35. What good reasons can we offer for asking from those who have been especially generous to us so to continue, when we are not cavilling at incurring further war indebtedness in favour of those who have been less generous? Have we any better reason than the obvious one that a good deed breeds the expectation of another? Yes, it can be argued that we have a better reason. For an analysis of those to whom we are incurring further debts shows that there is no true analogy. For let us consider in detail to whom are we incurring further war debts:

(1) *Latin America*. The amounts are moderate and fall far short of what they still owe us. If we liquidated our assets there on the scale on which we have already liquidated our assets in Canada and U.S., there would be less than no war debts left.

(2) *European Allies*. The amounts are not large and do not represent any net gain by them, since they will be immediately engulfed for reconstruction.

(3) *The Crown Colonies*. Here our position of trusteeship and our over-riding authority put it out of the question that we should, by our own decision, exact large sums from them.

(4) *India, Egypt and the Middle East*. Egypt is neutral. The others have never accepted the same unlimited liability to participation in the efforts of the war which we and certain others of our partners have accepted.

(5) *The other Dominions*. Here we are in fact incurring no war debt in excess of the sterling Government securities remaining to be repatriated (a process already complete in the case of Canada). On the contrary New Zealand has no prospect of abnormal balances and, if Australia accumulates a small surplus through her earnings from U.S. troops, this would only enable her to make a small beginning of the repatriation of sterling Government debt which Canada has completed.

36. There is, moreover, a further important respect in which there is no analogy between the position of the sterling area countries and that of Canada and the United States. Most of the sterling area countries (the important exception is South Africa) have lent the U.K. the whole of their currency reserves and have accumulated no outside resources whatever against the large volume of outstanding currency which their consumers will doubtless wish to turn in part into imported goods as soon as the war is over. India, for example, has turned over to the U.K. the whole of her large dollar earnings. Australia is doing the like in respect of her current considerable receipts from the U.S. troops. Thus an appreciable part of the sterling owed by the U.K. to the rest of the sterling area is simply the counterpart of the dollar earnings and other external receipts which they have turned over to us. Some indication of the magnitude of these receipts is given in the table in paragraph 21 [20?] above. This table shows that in 1943, for example, the U.K. received from the rest of the sterling area in actual gold and dollars no less than $515 millions, which were added to the U.K. gold and dollar reserves at the expense of the gold and dollar reserves of the rest of the area. No aid parallel to this has been afforded by the two North American countries lying outside the sterling area. The two methods of financial aid are widely different in character and it is not easy to make a useful comparison between them.

37. With the advent of peace we hope to borrow both from Canada and from the U.S. in so far as we still have expenses to meet which are a sequel of the war and can be properly regarded as part of the same story. Our purpose will be to keep this residual aid to the smallest possible dimensions. Terms, which lie within the capacity of repayment which we reasonably foresee for ourselves, must be fixed at the outset. We are not prepared to take a chance on the question of repayment, whatever view others might be prepared to take. Rather than accept terms which we can doubtfully satisfy, we shall prefer to do without and live perforce as best we can within our own temporarily limited means. We are fearful, lest, in the spirit of the greatest goodwill, there may be pressure on us to accept too much on conditions which we cannot clearly fulfil. If war debts begin to accumulate before the transition from war to peace is reached, we see little possibility of being able to accept on these conditions what we shall sorely need.

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Mémorandum du ministère des Finances
Memorandum by Department of Finance

TOP SECRET Ottawa, August 6, 1944

MEMORANDUM OF COMMENT ON UNITED KINGDOM PROPOSALS FOR ADJUSTMENTS IN FINANCIAL ARRANGEMENTS FOR THE FISCAL YEAR 1944-45

1. *General Nature of Proposals*

The United Kingdom authorities apparently recognize that an additional Mutual Aid Appropriation this year cannot be anticipated and that consequently some other means of covering the excess of their payments to Canada must be devised. On their own side, however, they feel quite clearly that they cannot pay Canada a large amount from their gold and United States dollar reserves, as Canada has suggested, and cannot borrow on a substantial scale from Canada during the current year. The reasons for this attitude lie in their general financial situation and in the prospects of its development during Stage 2 of the war, i.e., when hostilities with Germany are finished but those with Japan are still proceeding, and in Stage 3, the period of transition after hostilities, during which time British exports will fall quite considerably short of being sufficient to pay for their imports. This general financial situation has been discussed orally and is being covered in a separate memorandum. Any explanation of it is, therefore, being omitted in this memorandum.

The U.K. feel that the size of the deficit to be financed, subject to the conditions noted above, necessitates a general re-examination of the financial arrangements between Canada and the U.K., particularly in respect of the Canadian forces overseas. The U.K. feel that these arrangements have not been wholly logical up to date, but that they did not matter as long as Canada was bearing any additional costs involved in the form of Mutual Aid or its equivalent. The U.K. authorities feel this re-examination is justified by the puzzling difference between the real share of the fighting and the production of munitions being undertaken by Canada on the one hand, and the financial results from the expenditures in connection with these on the other. They note that Canadian forces at present appear to be doing about one-eighth of the fighting being done by British Commonwealth forces, and to be producing about one-seventh of the British Commonwealth production of munitions. On the other hand, however, Canada is paying the rest of the Commonwealth relatively little for the munitions her forces are using in relation to the payments she is receiving from the rest of the Commonwealth for the munitions which she is producing. The U.K. suggest that the rearrangements which they propose will help to overcome this disparity.

The result of their re-examination is a series of proposals, including two which relate to Mutual Aid and would make the existing Appropriation go further, and three relating to the expenditures of the Canadian forces abroad and which would be necessary in the view of the U.K. if Canada is to bear the

full cost of its own fighting services, as it has undertaken to do. If all these suggestions were adopted, the expenditures to be covered by Mutual Aid would be reduced and the United Kingdom receipts from Canada increased by a total amount much more than the prospective deficiency to be covered, and the excess would probably be enough to counter-balance the amounts owing by the United Kingdom in respect of Air Training accounts.

The U.K. suggest in broad terms that arrangements along the lines proposed for this year would leave the accounts roughly balanced by March 31st next, that then next year's situation could be re-examined in the light of plans for the war against Japan still to be developed, and that finally the U.K. would hope to borrow substantial sums from Canada during Stage 3, i.e., the transitional period following hostilities, during which time her indebtedness to Canada would rise to a total equal to all Canadian indebtedness to the U.K.

2. *General Comments*

The broad U.K. case is not unreasonable on grounds of fairness and equity. Undoubtedly the U.K. have been bearing a much heavier relative cost than the other English-speaking Allies. In particular, her international costs in the form of deterioration in her international position have been heavy—heavier than any of the Allies, while many countries, including Canada and the United States, have improved their international position despite the assistance they have given to the U.K. In addition, of course, the U.K. have suffered a substantial reduction in their consumption during the war by comparison with North America, where consumption has probably increased. There is no doubt that the U.K. will face very real difficulties after the war in adjusting itself to the change from being a substantial international creditor to being a substantial international debtor.

The war, of course, has been so much closer to the United Kingdom than to North America that it is only to be expected that the British people are much more prepared to accept heavy burdens than the people in North America.

On broad grounds of Canadian policy, it appears desirable if it is at all possible to leave the U.K. strong enough at the end of hostilities to weather the difficult few years of transition to peace without a complete and enduring sacrifice of multilateral trade, from which we benefit so substantially, and without requiring severe restrictions on imports from North America. We certainly want the U.K. to be in a position to buy food from Canada during this transition period. Moreover, there does seem to be a real Canadian interest in having the U.K. left after the war with financial strength and prestige sufficient to enable her to play an important part in the post-war world, both economically and politically. The U.K. representatives point out that they will need both financial reserves and borrowing powers in peacetime if they are to play their appropriate part among other larger powers in helping to preserve international security.

The general argument put forward that it will be necessary for the U.K. to borrow substantial sums from Canada in Stage 3 and that no other solution to their difficulties in Stage 3 seems possible, appears to us to be reasonable. Certainly it would be very much more difficult to give any other form of

financial assistance to the U.K. once hostilities have ceased. On the other hand, it is difficult to see on what basis the U.K. authorities are able to assess their borrowing capacity so accurately and their needs in Stage 3 so accurately that they find they cannot possibly add a few per cent to their post-war debt in order to cover a part of their present requirements, particularly when they are continuing to incur very substantial debts at the present time to the sterling area. This suggests that there is an element of arbitrariness in their decision that they will exhaust their borrowing capacity from North America in Stage 2 and in the rigid distinction which they appear to make between debts incurred to the sterling area and to North America.

While recognizing the above general points put forward by the U.K., it is also necessary to recognize the difficult position in which Canada has been placed. This difficulty springs from the fact that much of Canada's contribution to the war must go in the form of supplies to be used by the forces of other countries. Our figures indicated that up to date Canada has had to furnish much more in the way of such free assistance in proportion to her national income than has the United States, for example, and probably much more than any other country. This provision of supplies for other forces to use inevitably has the appearance of a gift, to a large proportion of the public. This seems to be true no matter how the transaction may be dressed up and presented and no matter how much emphasis may be laid upon the fact that furnishing munitions is no less a duty and no less an appropriate form of participation in the war than furnishing fighting forces. It is unfortunately not a matter of logic or fundamental justice that is involved, but the limitations of public opinion and attitudes formed long before the Lend-Lease idea really took root.

It must also be recognized that Canada herself is a heavy debtor on international account, and it is difficult for a nation long accustomed to regard itself as heavily in debt to richer nations to take action which her citizens are bound to regard as generous rather than merely part of her duty. Despite the great worsening in the international position of the U.K. as a result of the war, Canada will be in proportion a heavier debtor internationally than the U.K. when the war is over, due, of course, to the very large amount owed by Canada and by Canadians to the United States. Of course, it must also be recognized that Canada's debt has been incurred very largely for constructive purposes, while the U.K.'s situation has deteriorated during two wars largely to provide funds for fighting and not to leave the U.K. in a better economic position than before.

Canada's difficulty as a debtor country appearing to make large gifts to other countries is made all the greater when Canadians realize that there is only one other country assisting the U.K. in the same way, and that is the very rich United States. Indeed, Canadians see other nations piling up huge post-war claims against the U.K. as a result of their wartime activities. India and Egypt are the main examples, but to a lesser extent Australia is now accumulating claims. Those aware of the true situation realize that there are explanations for this apparent disparity, but it would be very difficult, if not impossible, to put across such explanations to the general public. Moreover, to

put them across it would be necessary to call attention to the fact that India has, to some extent, been dragged into the war against her own will, and emphasis on this is hardly likely to improve Canada's international relations at the present time.

It is obviously undesirable in the case of Canada, as in the case of any other nation, that the maximum flow of men and supplies to the war fronts should be impeded by any financial arrangements which would appear to the public and to Parliament as unreasonable, and which would limit the supplies which Parliament and the public were prepared to contribute to an amount less than what is physically possible.

The general nature of the solutions proposed by the U.K. involving increased war expenditures is open to the general objection that it will be difficult to justify making radical changes now in practices that have grown up over the course of five years and to alter the general agreed basis of division of costs in respect of the Air Forces and their training. Consideration will have to be given to the possibility of making satisfactory public explanations of the changes proposed. It may be possible to base such explanations on the fact that the amount and nature of the participation of the Canadian forces in the costs thereby involved have only become clear now that they are fully engaged. Moreover, it might be argued that the question of a share in the equity in reserve stocks and supplies in transit only becomes important as the end of the war approaches and the question of losses on such stocks arises.

3. *Taxes on Mutual Aid Supplies*

The U.K. question whether it is justified to tax munitions being provided to them under Mutual Aid, pointing out that the munitions which they purchase and which they did purchase under the contribution made in 1942 were free from tax, and that the Mutual Aid Appropriation would go considerably farther if taxes were not levied on these supplies. They say that the financial burden of Mutual Aid is made to appear more than it is in fact by reason of these taxes.

The figures given by the U.K. for taxes on Mutual Aid supplies last year appear fairly reasonable at a total of $64 million. They are also fairly close to the truth in pointing out that the taxes on munitions for the U.K. and other parts of the sterling area for the current year would amount to about $180 million and in fact, it might be nearer $200 million if the value of munitions production is as large as is estimated by the Department of Munitions and Supply. It seems unlikely, however, that munitions provided to the sterling area will exceed, say, $1,300 million during the year, and the tax element in this might amount to something near the $133 million which the U.K. suggest. On the other hand, the munitions provided under Mutual Aid during the year are bound to be very much less than this—perhaps of the order of $600 million—and the taxes on these might be expected to be somewhere in the neighbourhood of the figure for last year, say $50 or $60 million. Account must be taken of the fact that taxes would not be payable in any event on the remainder of the munitions and allowance should be made for this in the balance of

payments figures and the prospective deficit reduced correspondingly, say, by another $60 million.

The reason why taxes are payable in respect of munitions provided under Mutual Aid is because it is traditional to charge Canadian Government Departments with taxes on their purchases. In other words, expenditures and appropriations for expenditures are made on the basis of Canadian market prices. It is felt that this is necessary if Parliament is to have a clear understanding of the real costs involved by various government activities. Consequently if the costs to Canada of Mutual Aid are to be assessed in the normal way, both absolutely and in comparison with other appropriations, one should include taxes in the cost just as one does for goods going into domestic consumption or into domestic use by Government Departments.

There is, however, an important qualification in principle in the case of Mutual Aid goods. Taxes are not normally charged, or are rebated, on goods for export. For this reason, no taxes were payable on the munitions purchased by the U.K., including those purchased out of the $1 billion contributed by Canada in 1942. Therefore, if we are to think of Mutual Aid in terms of export values rather than domestic values, which may be the correct way of assessing it, one should exclude taxes. It would also be in accordance with the general intent of our revenue laws, which provide for the exemption from tax, or rebate of tax, for export goods.

This qualification in regard to exports is reinforced by the fact that food products normally subject to tax and being provided under Mutual Aid are not being taxed. The usual law relating to exports is being allowed to operate in respect of bacon and canned fish. Consequently it cannot be argued that the principle cited above in respect of charges to Parliamentary appropriations is being consistently followed.

It is difficult to say what, if anything, was the intention of Parliament in this matter. Formally, Parliament might be presumed to have taken into account that munitions were to be subject to tax unless sold to foreign governments, as the Order-in-Council providing for this, P.C. 1/3233 of April 19, 1943, was published on April 26th before or during the debate on Mutual Aid in 1943 and, of course, long before the debate in 1944. In fact, however, it may be doubted whether this fact was noted by any Members of Parliament in connection with the size of the Mutual Aid Appropriation, as there is no indication that their attention was drawn to it or that it was mentioned in Parliament. The Order-in-Council in question does not specifically provide that Mutual Aid supplies should be subject to tax, but instead provides specifically that a rebate shall be paid in respect of taxes on munitions sold to other governments. It may also be worth noting references made in the Appendix to the Budget[257] to the fact that only supplies purchased by Allied Governments

[257]Voir Canada, Chambre des Communes, *Débats*, 1944, volume IV, pp. 4371-4413.
See Canada, House of Commons, *Debates*, 1944, Volume IV, pp. 4206-48.

would be eligible for exemption. Even here, however, there is no specific statement that Mutual Aid supplies are subject to tax.

4. *Capital Cost of Merchant Ships*

The U.K. argue that the capital cost of merchant ships being charged to Mutual Aid made available to the U.K., gives a wrong impression of the magnitude of that aid, since title to the ships is retained by Canada and the U.K. gets only the services of them during the war. As long as Mutual Aid was considered adequate to look after all requirements, this was of no particular importance to the U.K., but now that the total of Mutual Aid is limited, the charging of this capital cost to it reduces the amount which the U.K. could otherwise obtain.

During the last fiscal year, as reported in the Mutual Aid Report,[258] 91 merchant vessels were transferred to the U.K. under Mutual Aid, with a total value of approximately $159 million. It now appears that the transfers of merchant ships during the present year will be about half as much. Consequently the amount involved in this point is approximately $240 million.

One could, no doubt, defend the procedure under which the Mutual Aid Appropriation was charged only with the charter value of the ships because that is all that is being provided to the U.K. To do this, however, would require some other appropriation to which the capital costs could be charged and which could be credited with the charter costs charged to Mutual Aid. One could also argue that the merchant ships provided under Mutual Aid are being used in the services of all the United Nations, and that the U.K. is essentially only providing the crews and management to operate the ships which Canada has built. The U.K., of course, charge themselves and other nations for the services of the ships, and out of these charges meet operating costs and in addition apparently make some provision for insurance and depreciation, despite the fact that they have incurred no capital cost in connection with them.

It can equally well be argued, on the other hand, that the capital costs of merchant ships are a reasonable charge to Mutual Aid because it is a cost of enabling Canada to contribute to the common effort of the United Nations. The purpose of Mutual Aid, as repeatedly enunciated, is not to give specific help to our Allies, but rather to make a contribution to the common cause, and the fact that the full cost of the ships is charged to Mutual Aid does not need to imply that any particular Ally, including the one operating the ship, has benefited to that extent from our action.

Moreover, the fact that there may be some residual value to Canada in the ships is not inconsistent with the principle or purpose of Mutual Aid. It was clearly contemplated and understood that in some cases there might be some residual or reciprocal benefits accruing to Canada from Mutual Aid. It should

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[258]Voir *Rapport—Office canadien de l'aide mutuelle, 20 mai 1943—31 mars 1944*. Ottawa, Imprimeur du Roi, 1944.
See *Report of the Canadian Mutual Aid Board, May 20, 1943, to March 31, 1944*. Ottawa, King's Printer, 1944

also be noted that if any Mutual Aid ships are lost, Canada, through the Mutual Aid Appropriation, bears the capital cost of the ship and receives no insurance or other payment in respect of it. On the other hand, the U.K. appears to be collecting both the depreciation element and the insurance element in the charges made for the service of the ships, although, of course, in a great many cases she will herself be paying these charges from one pocket to another.

The final and apparently clinching argument on this point, however, is that Parliament has clearly and explicitly understood from the beginning of the Mutual Aid program that ships were to be purchased out of the Mutual Aid Appropriation and provided on a charter basis to the U.K. and possibly to other countries. An alteration in this procedure would have to be justified to Parliament on some ground other than the magnitude of the appropriation which Parliament itself has provided for Mutual Aid.

While it would accomplish nothing in substance, it might be reasonable to make clear in the accounts that the U.K. is not receiving a benefit represented by the full capital cost of these ships. This could be done by charging the capital cost to a separate account under the Mutual Aid Appropriation and then showing as one of the services provided to the U.K. the charter value of the ships.

5. *Capitation Rates for Canadian Army Overseas*

On this subject the U.K. proposes:

(a) that the capitation rates should be based on the estimated cost for the types of formation in which the Canadian forces are in fact employed rather than on the estimated average cost for the British Army as a whole, including the lower costs for line of communication and other troops not in the forward line of battle. Heretofore it was understood that the capitation rates would be based on the average costs rather than those appropriate to the order of battle of the Canadian forces themselves. The U.K., however, point out that it is their understanding that Canada wishes to bear the full cost of its own forces and would only be doing so if the capitation rates were based on the principle now proposed;

(b) that the rates should be established by agreement on the basis of reasonable estimates of cost rather than on the basis of meticulous accounting, which the U.K. argue is not possible nor desirable in the midst of war.

The principle advocated by the U.K. in (a) above has already been recognized and approved by the War Committee,[259] and there is therefore no need to discuss it here. It is understood that Canadian officials have been instructed to be prepared to recognize this principle and put it into effect in respect of Canadian forces in active operations, commencing with those in Sicily in July, 1943.

[259]Voir le document 501.
See Document 501.

Proposal (b) above is essentially an administrative matter and should be possible of accomplishment to the reasonable satisfaction of both parties. It is perfectly understood that the rates must be set on the basis of estimates rather than of complete records; indeed, the whole principle of capitation rates is to avoid the keeping of meticulous records. The practical question is the degree of supporting evidence that is necessary in making an estimate. Canadian officials feel that they must have sufficient information to enable them to make a reasonable judgment as to the appropriateness of the rates selected. The Financial Superintendent of the Canadian Army Overseas is the officer principally concerned with the establishment of these rates from the Canadian side and is, we understand, very intimately acquainted with the costs on which they are based. It was our understanding that he is prepared to agree to rates on the basis of estimates, provided that the War Office can furnish evidence that the rates suggested are reasonable. Apparently the War Office, on the other hand, feels that our officers are requesting an unnecessary amount of detailed information.

It might be suggested that the Financial Superintendent of the Canadian Army Overseas, and possibly senior officers of the Canadian Army Overseas, should be asked to report on this matter and to give their views as to the amount of latitude which should reasonably be allowed in reaching agreement on these figures. After consideration in Ottawa, some indication might be given as to the views here on the subject and then the officials overseas might keep their own Department and the Department of Finance informed by cable for some time as to the progress of negotiations, so that we in Ottawa can form some judgment as to the amount of evidence required and see that only as much is requested as seems reasonably necessary to discharge the responsibility of officers and officials to the Government, and of the Government to Parliament.

The U.K. estimate that about $100 million a year increase in the capitation rate payments would result from adopting the principle proposed in (a) above. It is hoped to get some opinion from Canadian officials overseas on this estimate in the very near future, but as yet no information has been received that would enable us to criticize this figure of the War Office.

6. *Cost of Advanced Air Training In U.K.*

The U.K. propose that the cost of advanced training of Canadian air crew in the U.K., which up to the present has been borne by the U.K., should be borne instead by Canada. The argument for this proposal, as for the previous one, is that this is a part of the full cost of Canadian forces overseas which Canada has undertaken to bear, and that there is no real counterbalancing item in the cost of the air training plan in Canada, as the U.K. is bearing 50% of that cost, which is approximately equal to the non-Canadian personnel being trained in Canada. The U.K. suggest that the amount involved in these costs is about $120 million per year.

The present division of costs of air training is based on the air training agreements between Canada, the United Kingdom, Australia and New Zealand. Under these agreements, Canada has undertaken to meet a specified

share of the costs of training air crew in Canada, and it has been understood that training in the U.K. would be at the cost of the U.K. This intention is fairly clear in paragraph 16 of the original agreement, paragraph 9 of the further agreement of January 7, 1941, and paragraph 24 of the agreement of June 5, 1942.[260] When Canada undertook responsibility for the cost of pay and allowances for Canadians serving in the R.A.F. under the agreement of April, 1943, no mention was made of these costs of advanced training in the U.K., and it may reasonably be assumed that they were still to be borne by the U.K., either by implication or under the general phrase "maintenance and other expenses of personnel serving with the R.A.F." in paragraph 3(c). In this 1943 agreement, Canada did undertake to pay "all costs" of the R.C.A.F. squadrons formed in the U.K. This has not been interpreted up to the present to include the costs of the advanced training in the U.K. of the Canadian personnel entering these squadrons, but conceivably it might be so interpreted.

The original conception of Canada's share in the war in the air has undergone a gradual development since the original air training agreement. The principal change has been the formation of R.C.A.F. squadrons overseas, then the assumption of their costs by Canada, then the assumption of the full costs of pay and allowances of the Canadian personnel in the R.A.F., and further the increase in the number of R.C.A.F. squadrons, culminating in the recent decision to increase the number from 44 to 58. The present proposal of the U.K. would be consistent with this development, even though it amounted to a modification of the present agreements and understandings. In particular, the assumption by Canada of the advanced training cost for the Canadian personnel entering R.C.A.F. squadrons would seem logical and an essential part of the cost of providing such squadrons which Canada undertook to bear in 1943. It seems somewhat odd that Canada should bear the costs for personnel in these squadrons through all their early training and subsequently when they are in operation, but expect the U.K. to bear the cost during the interval when they are training in the U.K. This could only be satisfactorily explained if Canada could claim that in the costs of the B.C.A.T.P. she was bearing an undue proportion which counterbalanced the costs for advanced training being carried by the U.K. Such does not appear to be the case.

The present 50/50 division of costs of the air training plan now in effect is approximately equal to the number of Canadian and non-Canadian personnel which have been trained under the plan. During the two years from July 1, 1942, to June 30, 1944, the R.C.A.F. graduates from the training plan numbered 40,202, while the combined total of R.A.F., R.A.A.F. and R.N.Z.A.F. graduates numbered 39,396. (The number of graduates since the inception of the B.C.A.T.P. in 1939 is 57,714 for the R.C.A.F., and 45,726 for the other groups. This does not include graduates of the R.A.F. schools in Canada prior to July 1, 1942.) During the Air Training Conference in May

[260]Voir C. P. Stacey, *Armes, hommes et gouvernements: Les politiques de guerre du Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 594-607, 617-34.
See C. P. Stacey, *Arms, Men and Governments: The War Policies of Canada, 1939-1945*. Ottawa, Information Canada, 1970, pp. 540-53, 562-78.

1942 when the present arrangements were being worked out, pupil intakes into the plan were agreed upon in the proportion that Canada would provide roughly 45% and the U.K. plus other Dominions and Allied Nations would provide 55%. This division of pupils, it is understood, was one factor in the determination of the division of costs, but it is understood and indicated in the Minutes of the Conference that other factors of perhaps equal importance were the financial implications of an extension of the old agreement on one hand and the continuance and expansion of R.A.F. schools on the other. Apparently the two approaches suggested a roughly similar division of the costs. It is believed that in the remaining period up to March 31, 1945, the proportion of Canadian graduates will be somewhat less than 50%, but it seems unlikely that this will reduce the total number of Canadian graduates to a figure significantly less than half the total of all graduates.

There are certain minor factors in regard to the B.C.A.T.P. which might justify some assumption of training costs in the U.K. by the U.K.; for example, the cost of a special school for training Radar mechanics for the R.A.F. was brought into the B.C.A.T.P., and Canada thereby met half the costs involved. Incidentally, it is also understood that Canada bore the expense of University courses for the pupils of this Radar unit.

On the whole, it might be reasonable for Canada to meet the costs of the advanced training in the U.K. of Canadian personnel receiving such training, to the extent or in the proportion that such personnel enter or have entered the R.C.A.F. squadrons. The assessment of these costs and the division would have to be made on a relatively broad and flexible basis, as it is understood that the men take various courses with larger units, including R.A.F. men, and when they have finished their training they may be transferred back and forth between the R.C.A.F. and R.A.F. squadrons. While definite information is lacking in Ottawa on the numbers involved, it is estimated that the costs for the personnel in the R.C.A.F. forces might amount to about 40% of the total, or, say, $50 million a year, if the U.K. estimate of the total is correct.

Whether Canada should go farther and assume the costs of advanced training for Canadians serving with the R.A.F. is essentially a question of Government policy which cannot be settled without knowledge of the Government's desire in the matter. Essentially it would mean that Canada was lending to the R.A.F. men with a greater degree of training than at present. Arguments could be found both for and against assuming these costs. For example, one could argue for it on the ground that when in 1943 Canada undertook to meet the pay and allowances for Canadians in the R.A.F., she was essentially undertaking to provide air crew for the R.A.F.'s use and maintain them. Logically, therefore, it might be argued that Canada should bear the costs of making such air crew fit for use, and essentially those costs of putting trained men at the disposal of the R.A.F. On the other hand, it could be argued that training and instruction of air crew goes on practically indefinitely, even while they are engaged in operations, and that no satisfactory division can be made between the costs of training and the costs of operating. In such case, the only logical division is that under which she would bear the

costs up to the time when the personnel leave Canada and Canadian administration and enter the U.K. establishment.

Further information has been requested from the R.C.A.F. overseas on the costs of training and their comments on the U.K. estimate of $120 million per year. The figure given by the U.K. appears to be based on a rough figure of cost agreed with the R.C.A.F. for the whole period July 1/42 to March 31/45.

7. *Cost of Reserve Stocks and Stocks in Transit*

The U.K. propose that Canada should pay for an appropriate share of the reserve stocks and stocks in transit of munitions and other stores destined for the use of Canadian forces overseas as well as British forces. The Canadian forces do not maintain their own reserves nor lines of supply but draw their requirements from U.K. reserves. Up to date the U.K. has met the cost of these reserves and has borne the cost (except in the case of Lend-Lease and Mutual Aid supplies) of goods which have been delivered from the factory to shipping point but have not yet been placed in reserve. The U.K. argue that the cost of such stocks, both in reserve and in transit, is an essential part of the costs attributable to the forces using them, and that if Canada is to meet all the costs properly chargeable to her forces, she should bear a portion of the costs of these stocks.

The U.K. have noted the Canadian argument, emphasized by the War Committee, that a portion of the reserves or goods in transit has been provided by Canada as Mutual Aid or indirectly as part of the contribution to the U.K. in 1942, while another part represents Lend-Lease supplies for which Canada should pay not the U.K. but the United States, when and if Canadian forces receive them. The U.K. agree that these Mutual Aid and Lend-Lease supplies should be excluded from the costs which Canada should undertake to share, but they point out that these offsets are relatively small in relation to the total value of the stocks involved.

The U.K. have also agreed that if Canada should share in the costs of these stocks, she should receive a credit for anything realized from their liquidation or disposal. For example, if the stocks are used up in the closing period of the war, Canada should be credited with the proceeds of the sale or transfer to the various forces involved. On the other hand, if the stocks are held until they become surplus but have some disposal or scrap value, Canada should receive an appropriate fraction of that. This provision would be of considerable importance if the stocks in question are to be used up during Stage 2.

The U.K. estimate very tentatively that for the R.C.A.F. they hold reserve stocks to a value of $100 million and stocks in transit of $250 million. Estimates have not yet been prepared in respect of supplies for the Canadian Army, but it is suggested they might amount to $150 million, making a total of $500 million.

Although appearing to be a radically new proposal in the financing of the Canadian forces overseas, this proposal, when qualified with an allowance for Mutual Aid and Lend-Lease supplies and with the understanding that Canada would receive credit for her share in the stocks on liquidation, seems reasonable

in principle. At first it seems surprising that it should be raised this late in the war when stocks have probably about reached their maximum, but when it is recalled that it was only last year Canada began to meet the costs of the Air Force overseas and that up to last year the Canadian Army, it is understood, maintained many of its own reserves and lines of supply in the expectation of serving as a unit, it is understandable that this issue was not an important one. Moreover, it is only as the possible end of hostilities comes into view, with consequent possibilities of surpluses and losses on stocks, that the question of sharing in the cost of such stocks comes to have any more significance than merely the interest involved on the working capital so tied up.

While the principle of this proposal may be accepted as reasonable, there is a related consideration which offsets to some extent the force of the argument. Both the U.K. and Canada have large amounts of capital tied up in munitions in the course of production which will be largely surplus and obsolete when hostilities cease. Each country will have to bear a substantial loss on this inventory in process at the end of hostilities, except to the extent that there are available funds in the U.K. Cash Receipts Account which Canada may apply to this purpose (unless there is some understanding between the U.K. and the Department of Munitions & Supply which is unknown to us). In proportion these losses are likely to be much larger to Canada in respect of production for U.K. forces than they are to the U.K. in respect of production for Canadian forces. Of course, to the extent that the conclusion of hostilities can be foreseen and risks assumed in anticipating it by tapering off production and liquidating stocks in reserve and in the pipeline, this loss on inventories in process as well as losses on reserves and pipeline can be reduced and production resources converted more quickly to reconstruction.

The figure of $500 million given for this element of costs to Canada seems high to us, although we are without information as to the amounts of stocks held and have only the meagrest information on the proportion for Canadian forces. Taking the Air Force stocks first on which the U.K. figures are given, the total of $350 million is equal to the whole annual maintenance cost of the Canadian squadrons this year. This ratio seems high, and particularly the proportion of it due to the pipeline. A large proportion of the maintenance costs—perhaps about $200 million per annum—is for aircraft. In the case of fighter aircraft, we appreciate there are substantial stocks which must be held as a strategic reserve and it is conceivable that they might equal a year's intake. Presumably, however, they are very largely produced in the U.K. and the pipeline will be short. A large part of the aircraft costs are for bomber squadrons, and it is the understanding here that in respect of heavy bombers "the production line is the reserve." If this is true, reserve stocks should be relatively small. Moreover, the pipeline may be long in the case of bombers and spares from Canada and the U.K. but these are the very items which it is agreed should be excluded from the costs which Canada should share. The pipeline in the case of U.K. production should be relatively short, particularly in the case of Canadian forces, nearly all of whom are based on the U.K. Reserve stocks and stocks in pipeline in the case of gasoline and oil may be a

substantial proportion of a year's intake, but it appears that the annual consumption of the Canadian squadrons has a value of only approximately $20 million. Stocks of bombs and ammunition must presumably be held and there may be a fairly substantial amount in pipeline, but it would seem unlikely that very large stocks are held since reports have been received of limitations on the use of the desirable types of bombs and ammunition due to the shortage of stocks on hand. The annual intake of bombs and ammunition appears to be something of the order of $60 to $70 million or less. Other items covered in the squadron maintenance charges do not appear to involve significant stocks.

Information is lacking on which to make comments in respect of stocks held for Army purposes, but it may be noted that if Sherman Tanks are excluded, being furnished on Lend-Lease, the items on which Canada appears to draw on U.K. stocks would include food and forage supplies to a value of approximately $140 million, various ordnance and N.T.[261] vehicles and A.F.V.'s to the value of perhaps $110 million, of which a portion will be Mutual Aid supplies, and finally, some gasoline and oil comprised in the operating costs of vehicles, amounting to $25 million. Presumably it is not intended to take food stocks into account in these calculations. It is possible that reserves and goods in transit might amount in value to half the annual costs for the other items, but this would certainly need investigation by the technical officers concerned. The figures noted above are those derived from the Army estimates for the current year.

8. *Effects of Relative Prices*

The U.K. draw our attention to the fact that in general prices are higher for Canadian production than for U.K. production of corresponding items. They draw attention to the cases of Lancasters and Mosquito aircraft, where the disparity is indeed quite substantial. Our information is that the cost of Mosquito airframes is $110,000 in Canada, compared with the cost in the U.K. of $47,000, and the cost of a Lancaster airframe in Canada is estimated at $208,000 compared with a cost in the U.K. of $110,000. On the other hand, some items cost less in Canada, particularly some of the chemicals and explosives, and it is probable that the costs of motor transport vehicles are lower in Canada. On the whole, however, it is probably true that Canadian costs average more—perhaps 25% to 50% more—than those in the U.K. This does to some extent explain how it is that Canada pays the U.K. so much less for munitions on the whole than the U.K. pays to Canada.

The U.K. indicate that this disparity in prices means that what Canada contributes to the munitions pool is at a higher price on the average than the price she pays for similar items when drawing them from the pool. To the extent that this is true and is not specifically avoided, Canada would make a profit from the pooling of munitions. On the other hand, we understand that where Canadian equipment is specified, as for example, in the R.C.A.F. squadrons using Canadian Lancasters, Canada is charged the price appropriate

[261] Probablement M.T.—Military Transport.
Probably M.T.—Military Transport.

to Canadian equipment. Similarly where U.S. equipment is specified, Canada is charged the U.S. price rather than the U.K. price.

9. *Outstanding Liability in respect of Air Training*

In addition to the liability noted by the U.K. of $200 million in respect of training up to June, 1942, it is estimated that a further amount of $250 million will have accrued by March 31, 1945, in respect of training subsequent to June, 1942, making a total accrued liability of $450 million.

10. *Possible Arrears in Department of Munitions and Supply Payments*

The U.K. express anxiety over the apparent lag there has been in the past between the value of munitions shipments and the payments in respect of them, as this constitutes an unknown, and possibly substantial, claim on Mutual Aid funds or the U.K. itself. This lag was quite substantial up to March last, possibly involving several hundred million dollars of charges to Mutual Aid, but a determined effort was made in March, April and May to overcome this lag and it is now believed that it represents less than a month's invoices and, in respect of production for U.K. and Mutual Aid, would involve an unpaid liability of perhaps $75 to $100 million. Part of the previous lag was due to delay in establishing prices, but nearly all prices have now been set.

[R. B. BRYCE]

508. PRO/T160 1376/17969/013/4 Y/M 08485

Mémorandum du haut commissariat de Grande-Bretagne

Memorandum by High Commission of Great Britain

Ottawa, August 8, 1944

SUGGESTIONS FOR A REVISED FORMULA GOVERNING FINANCIAL RELATIONS BETWEEN CANADA AND THE U.K. AFTER MARCH 31, 1945

1. *The Suggested New Formula*

The object of the formula suggested below is to develop an accounting practice between the United Kingdom and Canada which would correspond more closely to the realities of pooling and would avoid the complicated cross-accounting in the present system. It is not intended to result in a higher total contribution from Canada, provided two basic assumptions are accepted, namely

(a) That the existing gap of $583 millions in 1944/45 is met by Canada by an increased Defence Appropriation or otherwise; and

(b) Canada is prepared in Stage II to make the same proportionate aggregate contribution to the total war effort as in 1944/45, though the separate parts making up this contribution would not all be reduced in the same proportion, for example the supply of food under Mutual Aid remaining unchanged. It will in fact be shown below that the new formula if it had been in operation in 1944/45 would have resulted, on assumption (a), in substantially the same Canadian contribution as the existing formula.

If, however, the old formula were to be applied in 1945/46, then, subject to assumption (b), a very considerable increase of Mutual Aid would be required, since although the cost of munitions supplied to U.K. would be somewhat reduced, the falling off of the offsets in respect of repayments to U.K. for servicing the Canadian forces abroad might fall by much more. Yet a substantial increase in Mutual Aid, at a time when the total war effort by U.K. was being reduced, would be very difficult to explain on both sides of the Atlantic.

We should emphasize that the new formula suggested below has not yet been examined in London but has arisen in our own minds as a result of what we have learned from our recent conversations in Ottawa. It should therefore be regarded as entirely tentative at the present stage. If the principle underlying the new formula is thought to be attractive, then further authority would have to be sought from London. It is not easy to appreciate its ultimate implications on either side without rather careful consideration. The new formula would be on the following lines:

(1) All Canadian munitions production would be financed by Canada from War Appropriations except in so far as there was a cash recovery in respect of W.S.L.[262] orders. These supplies would be assigned and transferred to British Empire forces—and presumably to the forces of others of the United Nations as well—without payment. This follows the general procedure as between U.S.A. and the British Empire; all U.S. munitions orders are financed by the War and Navy Departments, and by the Maritime Commission, and in no way enter into the Lend-Lease Appropriations. The transfers are charged up, it is true, as "Lend-Lease Exports" in the President's periodic reports. This is appropriate to U.S., since the American forces are not equipped out of the British Empire pool but supply themselves overseas, in addition to their Lend-Lease contribution, which is not the case with Canada. Thus the analogy with our present arrangements with U.S. goes some way but must not be pressed too far.

(2) The U.K. would supply the Canadian forces overseas with everything they needed without payment of any kind. There would be no capitation payments or other charges and all such war services as hospitals, accommodation, etc., would be provided by the British. The only payment which the Canadians would be called upon to make within the sterling area would be in respect of the transfer of the pay of their forces. This again follows the arrangement which we make with the United States forces.

(3) The Canadians would also provide against their Defence Appropriation certain miscellaneous war services which they render to the British forces in Canada, such as, inspection, Atlantic transport, internal transport and shipping freight charges applicable to munitions. The question of responsibility for Air Training would have to be separately considered owing to Lend-Lease complications and it might be advisable that the U.K. should retain its present financial responsibilities in this respect.

[262]War Supplies Limited.

(4) This might allow Canadian Mutual Aid to be limited to the Ministry of Food's programme covering the supply of food to the U.K. and incidental charges made by Canada for internal transport and freight charges on shipments of food to the U.K. in Canadian bottoms.

(5) All other transactions between Canada and the sterling area—e.g. purchases of raw materials from Canada and exports from the sterling area to Canada—would be financed as cash transactions. It is unlikely that any significant net claim would arise between the sterling area and Canada as a result of these transactions. If a surplus or a deficiency did arise it would probably not be of such dimensions as would cause serious transfer difficulties.

(6) The coverage of the pooling suggested above would be broadly similar to that of Lend-Lease and Reciprocal Aid with the U.S. except in regard to raw materials and manufactured articles, which are at present covered (in part) by American Lend-Lease, but would not be chargeable under the above proposal on Canadian Mutual Aid.

II. *An Illustration of the Working of the New Formula by its application to the Current Year 1944/45 (All figures in million Canadian dollars.)*

Under the present formula the direct charge in respect of the financial arrangements between Canada and U.K. falling on the Canadian Defence Appropriation was in the first instance 801. If the British contention is accepted, something of the order of a further 668 should be similarly charged, and the total charge on Defence Appropriation will be 1,469;[263] and the U.K. charge on Mutual Aid Appropriation is 596.

In order to show how the new formula would operate in the current year, it is necessary to make some allocation of transport and shipping freight charges between munitions and food. If the total net estimate of 105 under this head is allocated 50 to munitions and 55 to food, the charges to Defence Appropriation (ignoring Air Training) would be—

[263] La note suivante était dans l'original:
The following note was written on the original:
If some of the 668 gap were filled by taxation rebate, the Appropriation itself would not have to rise to this extent. But in that case the "Munitions from Canada" item in next table would be correspondingly lower.

Munitions from Canada	1,247
Pay of troops (say)	150
Other war services by Canada excluding Air Training	81
Transport and freight on munitions (say)	50
	1,528
The charge on Mutual Aid would be -	
Food for U.K.	534
Transport and freight charges on food (say)	55
	589
Thus the U.K. would have received 1,528 plus 589 =	2,117
instead of 1,469 plus 596 =	2,065
	an increase of 52.

III. *The Working of the New Formula in Changed Conditions.*

It is not practicable as yet to give any valid figures for Stage II, but there are certain more or less fixed points, namely—

(a) Whilst the requirements of munitions from Canada will be somewhat reduced as compared with Stage I, they will still be substantial.

(b) The offsets due to U.K. in respect of the Canadian armed forces will be reduced.

(c) The food programme will be substantially unchanged.

It will easily be seen that with a reduction in the offsets due to U.K., the deficit to be covered by Mutual Aid will rise very rapidly, especially if the reduction in the total Canadian Defence Appropriations in Stage II fall, as they are likely to do, much more on the internal than on the external Defence expenditure. For example, if the aggregate of external Defence expenditure and Mutual Aid were to be reduced to (say) 1,750, which might easily be the case, under the old formula two-thirds of this would fall on Mutual Aid and only one-third on the Defence Appropriations; whilst under the new formula these proportions might be virtually reversed.

509. DF/Vol. 4369

Mémorandum du ministère des Finances

Memorandum by Department of Finance

[Ottawa, August 1944]

FINANCIAL ARRANGEMENTS BETWEEN
CANADA AND THE UNITED KINGDOM

COMMENTS BASED ON THE MEMORANDA SUBMITTED BY
THE UNITED KINGDOM REPRESENTATIVES

1. When the first gift to the United Kingdom was decided upon, those who were responsible for recommending the decision, as well as those responsible for taking it, had in mind:

(a) That contributions of weapons, war materials and food stuffs required for winning the common war were not things for which one Ally should charge another.

(b) That the practice of cash on the barrel head involving repatriation of securities on a large scale, and the accumulation of a large war debt ($700 millions) had gone far enough, having in mind that impossibly large war debts are uncollectable and

(c) That Canada's position versus the United States would be an unhappy one if we continued to charge while the United States was lend-leasing.

No doubt each individual gave a different weighting to the various factors mentioned above, but they all had a bearing on the decision.

2. Has there been any reason to change the views which led to the taking of that decision? The only one of which I can think is the fact that the United Kingdom has accumulated, and is continuing to accumulate, a very large debt to certain countries. Her present intention is not to repudiate or scale down that debt, but to repay it in English goods over a period of years—I should think a generation or so. If a great many other countries are going to push the United Kingdom down, it may be asked why we should not get on that bandwagon and build up a claim for English goods some time in the future.

3. In giving this point consideration, I think we should try to assess:

(a) The likelihood of our wanting to exercise such a claim.

(b) The effect of our action on U.S.-U.K. financial relations.

Turning to the question raised in (a), we must remember that it will be a great problem for us to balance our accounts with the United Kingdom at the level of exports which we would like to maintain, without taking any goods in respect of past indebtedness. Superimpose on that the difficulties of taking sufficient additional goods gradually to discharge the U.K.'s borrowings from us during stage 3, and the, say, $600 millions war liability, and I think we are facing more than we are ever likely to manage. If the United States are so successful in the post-war period in remedying their balance of payments difficulties that the United Kingdom has sufficient U.S. dollars to spare to cover some unbalance in our current account, and also to do some repayment of old debt, that would be a much happier situation for Canada. But I see no reason to have faith in such a development in the foreseeable future.

Turning to (b), I should think that Canada's return to "cash on the barrel head" in part would have quite an influence on U.S. policy during stage 2.

4. The memorandum furnished by the United Kingdom indicates how extremely difficult their post-war situation is going to be—what restrictions and troubles their people face. The U.K. are desperately trying to keep enough cash on hand to retain some strength and independence after the war, and not to get themselves into a situation where they will have to default on their obligations. I think it is most definitely in Canada's selfish interests that the United Kingdom should achieve this objective. We need a strong United Kingdom in the worst possible way. We need a United Kingdom which has some chance of struggling through to multilateralism in due course.

5. For all these reasons, I believe that we should seek to find in the U.K. suggestions re taxes on mutual aid goods, capital cost of ships, capitation payments, etc., ways and means of covering the gap, subject to certain provisoes and qualifications as follows:

(1) I do not think that we should give up all claims to U.S. dollars. Without going into detail, I express the view that our U.S. dollar situation is likely to be most uncertain in stage 2, and may be quite bad in stage 3. In both these stages we may have to try to extract some U.S. dollars from the U.K. I would put up the case that in fact we are not as rich in gold and U.S. dollars as they seem to think—not rich enough to spend hundreds of millions for their account—and that we must get a hundred million from them. If absolutely necessary, I would compromise at seventy-five millions, but nothing less.

(2) The financial arrangements between the U.K. and U.S. in stage 2 will be very important from our point of view. If the U.S. is tough and drains the United Kingdom of gold and U.S. dollars, then the United Kingdom will be in the extremely weak position which we would like to avoid. In such circumstances, we might just as well charge them for everything and make a job of it. The moral is that we have a stake in their U.S. arrangements, we should know what they are going to be, and our actions may be affected by the results. The U.K. should know this, and in case of need the U.S. should know it too. But I doubt whether this factor should or can influence our decisions for the 1944-45 fiscal year.

(3) We are also interested in the U.K.'s arrangements with her sterling area creditors. I gather that U.K. is going to have a meeting with them this autumn. Our interests lie in those arrangements being as tough as possible on the creditors. Specifically, it would suit us if they paid no interest at all on the debt, and we are particularly concerned by any commitments U.K. may take to make U.S. dollars available in settlement of the war-time balances. To the extent that the U.K. uses up U.S. dollars for these purposes, she has just that much less to make some payments to us against our favourable current account balance with her during or after stage 3.

6. I gathered from discussions with U.K. representatives that during stage 3 they expected to do some further borrowing from some of the sterling area countries, and at that time would take no responsibility for providing the sterling area countries with U.S. dollars. I assume that the sterling area countries would have the use of their hard currency earnings, and would not be expected to put them in the sterling pool except perhaps in certain cases where there was a surplus.

7. The U.K. memorandum implicitly assumes a narrow bilateral trading world, and the discussion is almost entirely in financial terms without even the sugar-coating of some reference to the possibilities of freer multilateral trading. There is something more than a suggestion that the U.K. plans to use its debtor position to develop preferred and perhaps exclusive trade positions in the sterling area. It seems highly desirable that there should be some discussion of post-war trade between Canada, U.K. and the sterling area. Will we get equality of opportunity in the sterling area or U.K. markets, or does the U.K.

propose to adopt the attitude towards Canadian dollar requirements of the sterling area which I think (see above) they intend to adopt towards U.S. dollar requirements? They may very well ask, of course, what help we can give in the way of encouraging imports from the sterling area by lowering tariffs or in other ways. However that may be—and, to repeat—I think we need more light on our prospective relations with the sterling area and on U.K. prospective financial arrangements with U.S. and her sterling creditors before we can come to a conclusion as to whether or not it will pay dividends for us to continue the fundamentally sensible war-time policy which was initiated at the time of the first gift.

510. DF/Vol. 4369

Mémorandum du ministère des Finances

Memorandum by Department of Finance

TOP SECRET Ottawa, August 11, 1944

UNITED KINGDOM PROPOSALS FOR FINANCING THEIR REQUIREMENTS IN CANADA DURING THIS FISCAL YEAR

Size of the Problem

It is roughly estimated that the deficit to be financed for the U.K. and the rest of the sterling area this current fiscal year is about 1075 million dollars, after allowing for the formation of additional R.C.A.F. squadrons this year. It is also expected that about $600 million of this can be met from Mutual Aid funds, leaving to be financed otherwise about $475 million. In addition the United Kingdom already owe Canada $200 million in respect of Air Training prior to July 1st, 1942 and is accumulating debt under the present plan which will amount, it is estimated, to $250 million by the end of the current fiscal year—making $450 million in all. The United Kingdom would wish, if at all possible, to meet this outstanding indebtedness this year, as well as the current deficit, so that its limited borrowing capacity would be available to buy essential foodstuffs and other supplies from Canada during the first few postwar years when she does not expect to be able to pay for her current requirements with exports.

United Kingdom Proposals

1. *Capitation Rates*

That the capitation payments made by the Canadian Army overseas to the War Office in respect of troops in active operations should be based on an estimate of the full cost of the types of frontline and armoured formations which the Canadian forces actually comprise, rather than on the estimate of the average cost for all British Army formations including line of communication troops, etc.

This principle has already been accepted by the War Committee.[264]

[264]Voir le document 501.
See Document 501.

It is estimated that this change in principle might result in an increase from the present tentative rate of 15s. per man per day to 25s. per man per day, which would increase the payments by $26 million in respect of 1943-44 (Sicily and Italy), 15 million in respect of April-June 1944 and $100 million for the period July 1, 1944, to March 31, 1945—or say $140 million in all.

2. *Advanced Training for Canadian Aircrew*

The United Kingdom propose that Canada should bear the cost for the advanced training in United Kingdom of Canadian personnel graduating from the B.C.A.T.P. They argue that this is consistent with the principle that Canada bears the full costs of her own forces, and that it is not offset by any counterbalancing item in respect of the B.C.A.T.P. as Canada is now bearing one half the costs of that training plan and about one half the graduates from it are Canadians.

It is estimated by the United Kingdom that the annual costs of such training for all Canadian personnel is approximately $120 million per annum. The R.C.A.F. does not have information that would enable them to check this figure but has no reason to believe it is wrong.

It may be noted that about 25% or 30% of Canadian aircrew overseas are in R.C.A.F. squadrons, and this proportion will presumably increase as the additional squadrons, now authorized, are formed.

It would be necessary to decide from what date Canada's liability for these costs should start, if the principle is acceptable.

3. *Sharing the Cost of Reserve Stores*

The United Kingdom propose that if Canada is really to bear the cost of her own forces overseas, she should share with the United Kingdom the cost of the stores held in reserve and in transit for the use of the Canadian forces and the British forces. The United Kingdom agree that the lend-lease stores, and stores obtained from Canada under Mutual Aid (or the 1942 contribution) should be excluded in reckoning the reserves, the cost of which is to be shared. They also agree that Canada would of course receive credit for her share of any proceeds of the liquidation of such stores, including the using up of the reserves during the war, if that is possible.

The United Kingdom estimates that stores to the value of $150 million are held for the R.C.A.F. in reserves and in transit, and it is estimated very roughly that another $150 or $200 million are held for the Canadian Army overseas, including stores and equipment en route to the Italian front. The figure for the R.C.A.F. appears more or less reasonable (a higher figure had originally been given by the U.K. and it has been corrected after criticism here). The figure for the Army can only be worked out, even roughly, when more information is obtained. These figures may need to be corrected further for lend-lease and Mutual Aid content.

The Canadian Army point out that they hold in Canada general reserves to a value of about $47 million, in addition to those for home and North American defence, which are available for overseas forces, both Canadian and Allied. These should clearly be taken into account, with adjustments if

necessary to exclude any obsolete or generally surplus material, if such material is also excluded from the U.K. stocks.

It is not proposed that the value of goods in process of production be taken into account in these reserves as it is realized that both Canada and United Kingdom have substantial sums tied up in working capital in the production of supplies for the other country.

Mr. Norman, Financial Adviser, under the B.C.A.T.P., has suggested that if Canada undertakes to share in these reserve stores overseas, arrangements should be made by which any residual post-war value in such stocks could be traded to the United Kingdom, in advance, for her interest in the residual assets of the B.C.A.T.P., each country being allowed to take home such equipment as it requires for its own post-war Air Force establishment. Possibly oil and gasoline stocks should be excepted from such an agreement because of their high post-war value.

4. *Sales Tax and Customs Duties on Mutual Aid Goods*

The United Kingdom suggest that there is hardly sufficient justification for charging taxes on Mutual Aid purchases when all other exports sold to other countries are exempt from such taxes. They point out that Mutual Aid would cover substantially more goods if the usual tax exemption or drawbacks on exports were allowed, and that the present arrangement makes the financial burden of Mutual Aid to appear more than it is in fact.

It is estimated that taxes paid on Mutual Aid munitions last year amounted to approximately $65 million, which could be rebated to Mutual Aid if the principle were followed that is followed in respect of sales to foreign governments. For the current year taxes on Mutual Aid supplies might amount to another $60 million.

5. *Capital Cost of Ships*

The United Kingdom point out that they do not in fact receive under Mutual Aid the capital value of merchant ships, only the use of them during the war period, but the whole cost is charged to their share of Mutual Aid. They suggest that it would be more reasonable to charge the capital cost to some other appropriation and only the value of the bare boat charter to Mutual Aid.

The value of ships charged to Mutual Aid last year was approximately $160 million and this year the total appears likely to be about one-half that figure, or $80 million.

[R. B. BRYCE]

511. DEA/154s

Conclusions du Cabinet

Cabinet Conclusions

TOP SECRET Ottawa, August 14, 1944

A meeting of the Cabinet was held in Room 401, House of Commons, on Monday, August 14th, 1944, at 12.00 o'clock.

Present:

The Prime Minister (Mr. King), in the Chair,
The Minister of Mines and Resources (Mr. Crerar),
The Honourable J. H. King,
The Minister of National Defence (Mr. Ralston),
The Minister of Pensions and National Health (Mr. Mackenzie),
The Minister of Finance (Mr. Ilsley),
The Minister of Transport (Mr. Michaud),
The Secretary of State (Mr. McLarty)
The Minister of Trade and Commerce (Mr. MacKinnon),
The Postmaster General (Mr. Mulock),
The Minister of Justice (Mr. St. Laurent),
The Minister of Labour (Mr. Mitchell),
The Minister of Public Works (Mr. Fournier),
The Minister of National War Services (General LaFleche).
The Secretary to the Cabinet (Mr. Heeney).

Also present:

The Deputy Minister of Finance (Dr. Clark),
The Under-Secretary of State for External Affairs (Mr. Robertson)
Mr. R. B. Bryce, Department of Finance

FINANCIAL RELATIONS WITH THE UNITED KINGDOM

1. THE PRIME MINISTER said that the problem of financial relations between Canada and the United Kingdom had recently been the subject of consideration by the Cabinet War Committee (meetings of June 14th and 21st). At present, conversations were being carried on in Ottawa with representatives of the U.K. Treasury with a view to reaching a satisfactory settlement of the important issues involved.

This problem was causing great concern and it was important that the Cabinet should now give it urgent consideration. The subject was one of a very confidential nature.

(Minutes of Cabinet War Committee, June 14, 1944, paras. 35 to 39, and June 21, 1944, paras. 12 to 14).

2. THE MINISTER OF FINANCE described the present position. The Mutual Aid appropriation was already running out and decisions were urgently required as to the policy to be followed with respect to the continuance of war supplies to the U.K. government.

Lord Keynes and other U.K. government representatives, now in Ottawa, had submitted certain proposals which the Deputy Minister of Finance would put before the meeting.

3. THE DEPUTY MINISTER OF FINANCE described the present position and the various expedients which might be adopted to meet the United Kingdom's shortage of Canadian funds.

The U.K. representatives had been full and frank in their statement of the British financial position. The United Kingdom was unwilling to undertake large liabilities which they saw no present means of meeting. For solution of the problem, they had advanced proposals which involved the undertaking of additional obligations on the part of Canada in respect of Canadian overseas forces: increased capitation payments for the Army overseas, payment for advanced training of Canadian aircrew in Britain, sharing of the costs of reserve stores maintained in the United Kingdom for British and Canadian forces. They also proposed elimination of excise taxes and duties upon war supplies shipped by Canada to the sterling area.

If the government were prepared to accept such additional liabilities, they should insist upon the U.K. government paying in gold or U.S. dollars for the U.S. content of Canadian goods provided to Britain.

4. THE PRIME MINISTER enquired whether, in view of the large appropriations which had been made by Parliament at this Session for war service gratuities, social measures, and in relation to other legislation, Canada would be able, from present and prospective sources of revenue, to meet these payments and, in addition, assume the additional obligations involved in the U.K. proposals.

5. DR. CLARK observed that cash requirements necessary to meet the U.K. deficit had been forecast in the Budget statement of the Minister of Finance.[265]

The ability of Canada to meet the large commitments referred to by the Prime Minister depended upon the maintenance of a high national income and the success of the government's policies of full employment; these, in turn, depended upon a united country, supporting these social objectives.

As to settlement with the United Kingdom, it was in the Canadian interest to arrive at a settlement which would enable the British to buy our products after the war. This they intended to do if it were made financially possible.

6. THE CABINET, after considerable further discussion, agreed, with respect to the proposals put forward by the U.K. government's representatives, that the following would represent an acceptable basis of settlement between the two governments:

1. The payment by Canada on an increased capitation rate for Canadian Army personnel overseas, calculated upon the cost of Canadian formations rather than upon the average cost of U.K. forces; this principle to apply in respect of all active operations from the opening of the Sicilian campaign.

2. The payment by Canada of the cost of advanced training in the United Kingdom of Canadian aircrew who entered R.C.A.F. squadrons; this principle

[265] Voir Canada, Chambre des Communes, *Débats*, 1944, volume IV, pp. 4331-52.
See Canada, House of Commons, *Debates*, 1944, Volume IV, pp. 4168-87.

to apply from the date of Canada's assumption of the costs of such squadrons, or on their formation in the case of new squadrons.

(This was subject to the concurrence of the Minister of National Defence for Air, subsequently communicated to the Minister of Finance by the Secretary.)

3. The contribution by Canada of her fair share of the cost of reserve stores and stores in transit, drawn upon by the Canadian Army overseas and the R.C.A.F. overseas, it being understood that, in calculating Canadian liability hereunder, allowance would be made for supplies provided to such stocks by Canada under Mutual Aid and under the "billion dollar gift" and that Lease Lend stores would be excluded from those whose cost Canada would share with the United Kingdom. It was understood further that, in calculating the Canadian contribution hereunder, allowance would be made for stocks held by Canada in this country or elsewhere for Canadian or Allied forces overseas.

4. The exemption of Mutual Aid supplies provided to the United Kingdom from the beginning of the present fiscal year from sales and other excise taxes, and eligibility thereof for drawback of customs duties, etc., as in the case of other exports.

5. Payment to Canada by the United Kingdom in gold or U.S. dollars of an amount equal to the estimated U.S. content of Canadian munitions transferred to the United Kingdom (and the rest of the sterling area) under Mutual Aid during the current fiscal year.

The undertaking of this obligation by the U.K. government to be a condition of the government's acceptance of a settlement along the lines set out in subparagraphs (1), (2), (3) and (4) above.

A. D. P. HEENEY
Secretary

512. DF/Vol. 4369

Le haut commissaire de Grande-Bretagne au ministre des Finances

High Commissioner of Great Britain to Minister of Finance

Ottawa, August 29, 1944

Dear Mr. Ilsley,

I have been asked by the Secretary of State for Dominion Affairs to convey to you the following message addressed to you by the Chancellor of the Exchequer:

"The Representatives of the Treasury have now reported to me on their conversations with you and your colleagues about the lines for a settlement of the current financial relations between our two countries. I much appreciate it that despite the heavy Parliamentary pressure upon you and your Department, time was made for so full an examination of the present problems and I gratefully recognise the understanding spirit in which those problems were approached by Canadian Ministers and Officials.

2. The basis of a settlement which your Department was authorised by the Council to convey to our representatives has been carefully examined. I understand that it can be broadly described as follows:

(1) Adjustment of capitation rates for Canadian army personnel overseas, as from the opening of the Sicilian campaign so that the full actual cost of Canadian formations will be borne by the Canadian Government.

(2) Assumption by the Canadian Government from 1st April, 1943, of the cost of advanced training in the United Kingdom of Canadian aircrews on entering R.C.A.F. squadrons.

(3) Contribution by the Canadian Government of her fair share of the cost of reserve stores and stores in transit drawn upon by the Canadian Army overseas and the R.C.A.F. overseas.

(4) Exemption of Mutual Aid supplies provided to the U.K. from the beginning of the present fiscal year, from sales and other excise taxes and eligibility thereof for drawback of Customs Duties, etc., as in the case of other exports.

(5) Payment to Canada by the United Kingdom in gold or United States dollars of an amount equivalent to approximately United States 80 million in respect of the estimated costs incurred in United States dollars in furnishing munitions supplies to the U.K. and the rest of the sterling area under Mutual Aid.

3. I confirm that the foregoing proposals are fully acceptable, in principle, to my Government. The details in regard to the several items will require to be worked out between the competent departments on both sides and I have given instructions to my officials for them to take any necessary action forthwith. I understand that it is your wish, as indeed, it is mine, that the settlement of these matters should be on broad and equitable lines.

4. May I, in conclusion, express my warmest thanks on behalf of my colleagues as well as myself for the generous response of the Canadian Government in the difficult situation which confronted us. The solutions which have been reached are yet another manifestation of Canada's continuing determination to play her full share in the common war effort. The pooling of our material resources has contributed in no small part to the success of your forces and ours in the field and we are indeed happy that arrangements between us should enshrine this spirit of common endeavour for a United Victory."

Yours sincerely,

MALCOLM MACDONALD

513. W.L.M.K./Vol. 373

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 140 London, September 7, 1944

IMPORTANT. TOP SECRET AND PERSONAL. Following from the Prime Minister for the Prime Minister, Begins:

1. At the coming Conference[266] I shall discuss with the President the problems of munitions and other supplies from the United States in Stage II on the basis of our agreed strategy for the Japanese war. I would like to take the opportunity of discussing with you similar questions as affecting supplies from Canada.

2. In munitions supply I shall suggest to the President that the British Empire armed forces should continue to receive the same proportion of their total munitions supplies from the United States as they are receiving now. This would mean that if we planned to produce two-thirds of our present munitions output during the first year of Stage II we could count on receiving supplies from the United States on Lease-Lend at two-thirds of the present level.

3. I would suggest to you that a similar arrangement as to amount of munitions supplies might be appropriate between Canada and the United Kingdom.

4. If this general idea is acceptable to you, your and our officials could then work out together the detailed munitions programme which could best fit into this pattern.

5. In non-munitions supply we shall ask the United States for a continuation of the present scope of Lease-Lend until the end of the Japanese war, but I shall not press the President for a specific commitment as to amount at this stage. We regard it, however, as indispensible that we should not contract more war debt before the end of the Japanese war, since to do so would delay our economic recovery and further postpone the time at which we shall be able to import freely and generally pay our way.

6. We shall ask Canada to send us as much food during Stage II as we are receiving now, and we shall also ask for substantial raw materials supplies.

7. I would like to speak to you about the best arrangements for discussions between our two Governments in order to settle these programmes and their finance.

8. I profoundly appreciate the contribution which Canada has made to the war, and I can assure you that the attitude of your Government has been the greatest possible encouragement to us all in the long and grim struggle with Germany that is now coming to a victorious conclusion. With continued help such as we now suggest I hope that we may be enabled to play our full part in

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[266] La Conférence de Québec, le 11 au 16 septembre 1944.
The Quebec Conference, September 11 to 16, 1944.

bringing Japan to her knees at a not too distant date, and at the same time to make a start in restoring some of the ravages which the war has wrought upon our economy. Ends.

514. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, September 13, 1944

...

WAR PRODUCTION PROGRAMME AT THE END OF THE EUROPEAN WAR

11. THE SECRETARY read a telegram from Mr. Churchill on the subject of the Canadian war production programme following the defeat of Germany.

The message suggested that the Canadian government should act in concert with the United Kingdom and the United States in maintaining an over-all agreed proportion of the present munitions programme.

It was also indicated that Canada would be requested to continue the present level of food supply without reduction and to make available substantial quantities of raw materials as well.

(Telegram No.140, Dominions Office to External Affairs, Sept. 7, 1944).

12. MR. HEENEY submitted a report which had been received from the Minister of Munitions and Supply, indicating the nature and extent of present Canadian commitments during the balance of the present and for the coming fiscal years. Copies of the report were circulated.

(Report of Economics and Statistics Branch, Department of Munitions and Supply, Sept. 11, 1944—C.W.C. document 852).[†]

13. THE MINISTER OF MUNITIONS AND SUPPLY pointed out that this report did not constitute an adequate basis for an accurate forecast, since curtailment of certain orders might be expected following the defeat of Germany, while full information as to additional requirements of the Canadian Services had not been made available.

Canada would be making a fair contribution in "Stage II" if war production were maintained at roughly fifty percent of the present programme, rather than at the level of sixty-six percent suggested in Mr. Churchill's telegram. There might, however, be special arguments for the maintenance of our food production at a higher level.

14. THE MINISTER OF FINANCE said that there would be very serious financial difficulties in the way of meeting U.K. requirements during "Stage II".

The proposals advanced by Mr. Churchill were certainly unacceptable in their present form. Even if the programme suggested by Mr. Howe were approved, it would be necessary to provide for an increase in the amount of

Mutual Aid funds to be provided for such a volume of supplies to the United Kingdom.

15. THE WAR COMMITTEE, after further discussion, agreed that, in order to provide a basis for decisions in these matters, the three Services, in consultation with the Departments of Finance and Munitions and Supply, review immediately their present and estimated future requirements, on the assumption that European hostilities would terminate by the end of the present calendar year.[267]

...

515. DEA/4929-40

Mémorandum[268]

Memorandum[268]

SECRET Ottawa, October 6, 1944

THE PLACE OF MUTUAL AID IN STAGE 2 OF THE WAR[269]

This memorandum is concerned with only the economic, non-military aspects of Mutual Aid and of Stage 2. Considerations of high policy will determine the extent of over-all participation in this stage of the war, but the extent and form of participation will have a very important bearing on our ability to carry out a successful demobilization and conversion program. The conclusions reached below are dictated solely by Canadian self-interest.

1. *The Economic Importance of Mutual Aid in Stage 2*

We have had five years in which to mobilize the men and resources for our present war effort. Demobilization of the armed services and industry must take place in a much shorter time. While some demobilization is needed at the earliest possible moment to relieve the scarcity of labour and provide men and materials for civilian industry (and it is assumed that Stage 2 will permit a very substantial demobilization), it will be fortunate from the point of view of re-organization if demobilization can proceed by steps. The magnitudes involved are so great that the more abrupt the changes, the greater the danger of unemployment. Some unemployment is inseparable from the transfer of so many persons, and unemployment of from 3 to 8 weeks may be socially and politically tolerable. It is much less costly, however, to avoid mass unemployment than to overcome it once it has developed.

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[267] Voir les documents 403, 404 et 406 à 408.
See Documents 403, 404 and 406 to 408.

[268] W. A. Mackintosh

[269] Notes marginales:
Marginal notes:
This is the U.S. war.
Mr. Howe showed how we can't reconvert into [peacetime?] industries faster than U.S.
Shipping pool 6 months after Japan.

Participation in Stage 2 being decided for reasons of high policy, it should be used to the full for the economic welfare of the country by (a) making it the basis of a step-by-step demobilization in which the rate at which service men and workers are discharged will not greatly exceed the rate at which they can be re-employed in expanded and reconverted industry; and (b) preserving a balance in demobilization which will minimize unemployment. It is this last point which has the most important bearing on Mutual Aid.

There can be no thought either of employing workers in the production of useless munitions nor of employing them in producing useful things to give away if they could at that time be producing goods which can be sold at home or abroad. Yet we can afford to invest some labour in the future of our exports markets. In fact, however, the rapid reduction in the war program which will necessarily follow the end of hostilities in Europe is likely to release labour at least as rapidly as it can be re-employed even if the pace of industrial demobilization is not forced by drastic reductions in Mutual Aid.

The provision of adequate Mutual Aid for the sterling area can contribute a vital balance (1) as between service demobilization and industrial demobilization and (2) as between export and home-market industries.

2. *Balance between Service and Industrial Demobilization*

The munitions program for Canadian requirements in Stage 2 will be small and the program for the U.S. also very small. It is assumed that the U.K. program will be reduced in any case by about one-half. If no Mutual Aid is available, and if, as anticipated, lend-lease is open or there is a pooling of supplies between the U.S. and the U.K. the U.K. program will quickly decline to very small figures. War workers can be turned out of factories very quickly. Because there is a shortage of labour (which will show a marked seasonal easing between now and May) considerable numbers of these workers can be absorbed quickly. To absorb additional numbers, the re-conversion and expansion of plants is necessary and that will take time. On the other hand, the physical process of demobilizing the services will not be quick. To force the abrupt demobilization of nearly all war industry would create mass unemployment as a prelude to the demobilization of the services. The result would inevitably be that demobilization of the services would be deferred and such deferred mobilization would cost more in money and much more in discontent and criticism of government policy than Mutual Aid.

Allowing for a considerable decline in Canadian service expenditures abroad, Mutual Aid at least equal to that of this year will be necessary if one-half of this year's U.K. munition program is to be retained. Even this will give us a program of industrial demobilization more rapid than that which the U.S. is facing with a good deal of fear.

3. *Balance between Export and Home Market Industries*

The balance between export and home-market industries is even more important. It is stated that currently 80 percent of our exports are for war. While this is an overstatement if it is meant that the demand will cease with war, it is still true that as the needs for war decline these exports will also

decline. But Mutual Aid finances also exports which we expect in peacetime to sell in sterling markets,—wheat, cheese, bacon, metals, lumber.

Mutual Aid in Stage 2 should be looked on as a transitional policy. One justification of the policy is the taking of our appropriate share in the Japanese war in a balanced way which will facilitate orderly demobilization and reconversion. The other is the maintenance of post-war export markets.

Making the most optimistic allowances for the prospects of South American, Chinese, Russian and other problematical markets, we cannot accept an abrupt shrinking of our exports to the United Kingdom to pre-war levels or lower.[270] The government has already laid too much emphasis on the importance of trade to admit of this. With the end of the European War, though there will still be some scarcities, many products will become relatively plentiful, and the United Kingdom will be able to switch her purchases to the markets for which she has means of payment. Rather than increase her external debt further during the war, she will prefer to take supplies even, if necessary, at much higher prices from the sterling area, from the Scandanavian countries with whom she can probably make favourable arrangements, and even from Argentina. She will buy from Canada what she can pay for. She may even be willing to borrow a small amount to pay for some essentials, but if she has to do this, she will reduce further her purchases on credit after the war, and will set herself the object of balancing her trade with Canada.

However optimistic we are as to the prospects of successful demobilization, we could not do worse than begin the process with a crisis in some of our major export industries.

We must face the question now as to whether we look to the U.K. as a market to which we expect to export over the decades after the war. If we do not, we must expect a major dislocation in trade on top of demobilization, a definite worsening of our external trade position, and a policy of floor prices for agriculture which will be completely unmanageable. If we think that she will again be an important and solvent customer, we should be prepared to invest in a valuable customer and finance her purchases through her period of difficulty for the purpose of maintaining our position in this market.

4. *Mutual Aid plus an Export Program*

A prudent policy will be that of financing U.K. imports from Canada, during Stage 2, on Mutual Aid and thereafter on a credit basis. Any attempt to insist on credits in Stage 2 will simply reduce the borrowings and imports in Stage 3.

Mutual Aid in Stage 2 should be linked to an agreed export program. This would include such supply of munitions as would be equitable in view of our overall share in the Pacific War, and as would permit the U.K. to proceed faster with her conversion of export industries so that we can obtain more imports from her. It would also provide minimum quantities of our staple

[270]Note marginale:
Marginal note:
Shipping control will limit our exports particularly if they seem unfair to U.S.

exports for which we expect to maintain a post-war market in the U.K. Associated with the program should be an agreement on the part of the U.K not to divert to other countries trade in commodities for which Canada has been historically a regular source of supply and which we are willing to supply at competitive prices. It should provide also for opportunities for new Canadian exports as we are able to increase our imports from the U.K. A similar program and agreement should be linked to any post-war credits.

516. W.L.M.K./Vol. 373

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 181 London, October 8, 1944

IMPORTANT. TOP SECRET AND PERSONAL. Following from the Prime Minister to the Prime Minister, Begins: In my message of September 7th I told you that I hoped to have the opportunity at Quebec of discussing with you the question of supplies which we should need from Canada in stage two of the war. When we met we had some further general discussion of the large problems that are likely to arise at that stage as regards our manpower supply and financial position.

I hope that these matters can now be carried with you a step further. I am accordingly asking Mr. MacDonald to present to you a paper setting out the facts of our position and the nature of our needs from Canada in stage two.

I suggest that when this paper has been considered by your Ministers there should be full discussion of the whole matter with Mr. MacDonald and with Lord Keynes, who is now in Washington for parallel discussions with the United States Government. If this is agreeable to you, Lord Keynes would come to Ottawa at the first mutually convenient opportunity.

You will, of course, know that at the desire of the United States Government we are keeping all talks on this subject entirely confidential for the time being. Ends.

517. DEA/154s

Le sous-secrétaire d'État par intérim aux Affaires extérieures au ministre des Finances

Acting Under-Secretary of State for External Affairs to Minister of Finance

TOP SECRET AND PERSONAL Ottawa, October 10, 1944

Dear Mr. Ilsley,

I am enclosing, for your information, copy of telegram No. 181 of October 8th from Mr. Churchill to the Prime Minister, concerning the procedure in discussing supplies from Canada to the United Kingdom between the time of the defeat of Germany and the defeat of Japan.

As you know, there was really no mention of these matters at the Quebec Conference, although Mr. Churchill had indicated to the Prime Minister that he wished to take them up on that occasion. It seems to me that the present proposal is quite satisfactory. Under it we should get from Mr. MacDonald a written statement of the position and needs of the United Kingdom, which would form the basis of a later discussion with Lord Keynes and Mr. MacDonald. I have spoken to Dr. Clark, who thinks that this is a good arrangement from our point of view. If you concur, I shall suggest to the Prime Minister that a brief answer be despatched to this telegram, stating that the arrangements suggested are entirely agreeable.[271]

Yours sincerely,

H. H. WRONG

518. W.L.M.K./Vol. 36

Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures

High Commissioner of Great Britain to Secretary of State for External Affairs

915/348 Ottawa, October 20, 1944

TOP SECRET

Dear Mr. Robertson,

With reference to our recent conversation I enclose herewith, for the information of the Prime Minister, a copy of the paper setting out proposals, for the consideration of the Canadian Government, in connection with Stage II of the war which I am handing over to Mr. Ilsley.

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de la délégation de la Trésorerie de Grande-Bretagne

Memorandum by Treasury Delegation of Great Britain

TOP SECRET Ottawa, October 14, 1944

ARRANGEMENTS FOR SUPPLIES FROM CANADA IN STAGE II

(1) We (His Majesty's Government in the United Kingdom) have been considering the magnitude of the supplies which will be needed after the German armistice in order that we may play our full part in the war against Japan, and to carry out our military commitments in the occupation of Europe and elsewhere. During Stage II (by which we mean the period between the

[271] Aucune réponse ne fut trouvée.
No answer was located.

German armistice and the final end of hostilities) we have three major military commitments, that is to say

(a) the Japananese war

(b) the occupation of Germany, and

(c) the protection of Imperial lines of communication and the maintenance of order in areas of British responsibility.

At the same time we have to maintain the civilian standard of living in the United Kingdom —indeed we feel that after five years of war and privation, it has become necessary to make provision for some slight increase in these standards. In particular, it has now become essential to release some manpower for the rebuilding and repair of houses. It is also our intention to release sufficient manpower to enable us to make a substantial beginning in the recovery of exports during 1945. The results of our stock-taking, particularly in relation to manpower and overseas finance, will be communicated to the Canadian Government in a comprehensive form before that Government is asked to reach final conclusions.

(2) We also hope at an early date to lay before the Government of Canada a series of detailed proposals concerning the supply and financial relationships between the two countries during Stage II. Meanwhile, the purpose of this paper is to suggest a general principle which might govern these relationships, and to give a preliminary indication of the scale of assistance which we shall be proposing.

(3) The general principle underlying our proposals is broadly as follows:

We propose the adoption of a pooling plan, by which, incidentally, the financial relationships between the two countries will be greatly simplified. Under this Canada will supply us freely with munitions and war services, and the United Kingdom will supply freely to the Canadian Forces all supplies and services obtained from the sterling area (except pay). The scope of Mutual Aid to the United Kingdom will then be limited to food and ancillary services and certain raw materials to be mutually agreed upon.

(4) This proposal represents a radical change in the basis of accounting between our two countries, but we believe that it follows the foundations of partnership in a common enterprise much more realistically than our arrangements in the past; it avoids much inevitable arbitrary accounting; it should prevent the periodic crises in our financial relationships which have always in the past been resolved by an act of generosity by Canada but which we cannot always ask to be so resolved; it is, moreover, thought to be of a nature which will commend itself to the Parliaments and to public opinions of the two countries as a fair and realistic sharing of the physical and financial burden of the Japanese war. The following will give some idea of how this proposal might work out in practice.

(5) An examination of the probable balance of payments with the sterling area reveals a gap greatly in excess of the current level of Mutual Aid. It is true that throughout the European war this gap has existed. In the first two and a half years it was filled by payments of gold and dollars, by repatriation

of securities, and by the 700 million dollar loan—in this period Britain parted with capital assets and incurred debts to Canada to a total of $1,670 millions. In 1942/43 the gap was financed by the billion dollar gift, and we also advanced U.S. dollars to cover the deficit. In 1943-44 and 1944-45 the gap was financed partly by Mutual Aid. But Canada also undertook to bear a larger part of the cost of her Forces overseas, with the result that the gap left to be covered by Mutual Aid was kept down.

(6) But if this system were to continue during Stage II the gap to be covered by Mutual Aid would be much greater. Paradoxical as it may seem, the bigger Canada's fighting effort, the smaller is the gap since she has then to make larger payments in respect of her Forces overseas. On the other hand, if Canada's part in the war effort becomes primarily one of munition and food supply, the gap is then very wide indeed. During the European war, we have been able to rely on Canada's generosity and sense of what is right, and the gap has always been filled. But we are aware of the problems which confront the Government of Canada during Stage II, and we do not wish to place before them proposals which on the present financial basis can mean only one of two things—increased Mutual Aid appropriation or the incurring of war debts by ourselves.

(7) We suggest, therefore, that:

(a) Canada should provide munitions freely for the pool to the extent set out in the table (to be supplied) of estimated requirements. Canada would also provide freely all war services incurred in Canada on our behalf, e.g. inspection and inland freight on munitions.

(b) The United Kingdom should provide freely for the Canadian Forces overseas all supplies and services (except pay) which on shipping and supply grounds can most conveniently be obtained from within the sterling area.

(c) Canada would limit her Mutual Aid Assistance to the United Kingdom to cover food requirements, together with the ancillary transport services connected with this food, also certain raw materials to be determined as mutually convenient.

(d) The financing of the Air Training Plan would be the subject of separate arrangements, as has been the case in the past. We think, however, that these arrangements should be settled in general conformity with the above proposals.

(e) Other transactions between Canada and the Sterling Area, apart from such Mutual Aid as Canada may accord to other parts of the Commonwealth, would be financed on a cash basis.

(8) The cash transactions between the two countries would thus be in respect of the pay of Canadian troops within the Sterling Area and in respect of materials, manufactured goods and services together with certain miscellaneous payments (e.g. Naafi) not covered by Mutual Aid. We do not think that this would lead to any substantial problem between Canada and the Sterling Area and, so far as we can see, any residual deficit during Stage II should be manageable, provided that we are able during Stage II to increase our exports to Canada from the present very restricted level. The amount of orders which

we can afford to place in Canada will inevitably have to be limited by the amount of Mutual Aid plus the cash income of the Sterling Area in Canada.

(9) It is suggested that the supplies and services referred to in 7(a) above would be met from Canada's War Appropriation and would—in addition to Canada's own expenditure on her Forces in Canada and on the pay of her Forces overseas—represent Canada's financial contribution to the common fighting and munition pool. At the same time, Canada would be drawing freely from the pool all the supplies which were needed by her Forces overseas from Sterling Area sources.

(10) We believe this to be in financial terms, a true representation of the war efforts of the two countries. It avoids all the complicated and arbitrary Service accounting which will become increasingly difficult in the conditions of the Japanese war; it states firmly and clearly what contribution each country is making, and charges it to the appropriate place in each country's internal accounts.

(11) We hope this plan will commend itself to the Government of Canada. For five years we have in fact been pooling our resources in the war against the common enemy. In physical terms, there has been a complete pooling of manpower and of supplies but this has never been openly endorsed in our financial arrangements. In this new stage of the war, it is surely right to bring our financial affairs into line with the physical realities of our respective war efforts.

(12) We had originally intended to furnish full details of our requirements as appendices to this paper. The adjustments necessitated by the recent decisions on strategy taken at Quebec, however, have not as yet been fully determined by the Service Departments. Our needs for raw materials in Stage II are also under re-consideration in the light of the revised supply programme. We believe, therefore, that time will, in the end, be saved if we are left free to take another three or four weeks in the preparation of these programmes, presenting them to the Government of Canada at the second stage of these discussions.

Nevertheless, the Government of Canada may like to have at this stage a rough indication of the probable order of magnitude of our proposals. As regards non-munitions, there is likely to be a considerable reduction in requirements for metals, partly offset by some increased requirements for agricultural and forestry products. On balance, we estimate that the sum to be charged on the Mutual Aid Appropriation might amount to $600 millions, and that the cost of providing munitions and other supplies and services referred to in paragraph 7(a) above on the War Appropriation would be of the order of $800 millions.[272] Against this Canada will be receiving benefits under paragraph 7(b) above as Reciprocal Aid.

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[272] La note suivante était dans l'original:

The following note was in the original:

The munition requirements for the United Kingdom and other Empire countries will not exceed in total 70% of the 1944 level and may well be lower. Taking the Department of Finance's estimate for 1944/45 less internal taxation we calculate that 70% would amount in round figures to dollars 800 million.

519. DF/Vol. 474

Mémorandum du ministère des Finances au sous-ministre des Finances

Memorandum from Department of Finance to Deputy Minister of Finance

TOP SECRET Ottawa, October 23, 1944

RE: MEMORANDUM ON ARRANGEMENTS FOR SUPPLIES IN STAGE 2

There is a good deal to be said for this proposal as a clear and simple arrangement, but there are also certain difficulties in it.

The economic and financial considerations have primarily to do with the total amount of the supplies given whereas the particular method of dividing the appropriation is primarily of political importance.

On the economic and financial matters, I have already stated my opinions. Briefly, they are: (1) that we should not force, for financial reasons associated with mutual aid, a more rapid industrial demobilization than military considerations and those of fair participation in a joint war effort would dictate; and (2) that in the long run we shall lose heavily by trying to force the United Kingdom to borrow or part with more of its assets in Stage 2.

Politically there would seem to be two difficult aspects of the proposal: (1) that the estimated reduction of mutual aid on the more restricted basis from $800,000,000 to $600,000,000 will appear small in view of the exclusion of munitions from it. In other words, it will look phoney; (2) mutual aid for food and raw materials would perhaps be less easily accepted and understood than mutual aid in munitions.

However, there are some political opportunities in the proposal: (1) since the results of reciprocal aid under the proposed method of dealing with munitions would not be known until the end of the year, and, therefore, the net increase in the war appropriation, over what it would otherwise have been, need not be a matter of much political discussion. Some of it could probably be handled by a supplement to the war appropriation after the election and that ought not to be too difficult; 2) the fact that a change would be made in the system would permit the concentration of attention on the transitional character of Stage 2. Less emphasis could be placed on there being $600,000,000 of mutual aid than on the fact that mutual aid was disappearing with Stage 2, and would be succeeded by credits. It should also be made clear that to the extent that we were able to get imports from the United Kingdom, the amount of mutual aid could be decreased. I think a good case could be made out on this point, but only if the Government was willing to take an aggressive line.

The whole question really is: Is $600,000,000 mutual aid for food and raw materials easier to put across than say $1,200,000,000 for war and non-war with a much reduced war appropriation? There is nothing, of course, in the British proposal which reduces the amount of it required, or helps with the bargaining over the total amount. The danger is that some Ministers will avoid

the question by saying they prefer $600,000,000 with no provision for reciprocal aid in the War Appropriation. If, however, it were agreed that pretty much the full British request was to be met, I would be inclined to think that the form proposed in this memorandum would be more easily accepted by the country.

W. A. M[ACKINTOSH]

520. DF/Vol. 4369

Mémorandum du ministère des Finances au sous-ministre des Finances

Memorandum from Department of Finance to Deputy Minister of Finance

Ottawa, November 6, 1944

I was talking this afternoon to Dr. Mackintosh about possible strings that we might attach to Mutual Aid of a trade policy nature. He has, I think, some very useful ideas in connection with this, which would fit in with Towers' ideas on Stage 3 and your own desire to find some quid pro quo to ask of the British which would enable us to gain support for a Mutual Aid program this year.

Mackintosh suggests in effect that we should ask the U.K. to guarantee us if not full Most Favoured Nation treatment (and that means Most Favoured Sterling Nation treatment), at least Most Favoured Nation treatment in respect of guaranteed quantities of the principal exports in which we are interested. The quantities on which they would grant us this treatment could take into account not only their prospective sales to Canada but also whatever credits we will be able to make available. In addition, he suggests that any Canadian dollars resulting from an increase in our imports from the sterling area would be devoted, at least to an agreed extent, to the purchase of Canadian exports rather than to the amortization of debts owing to Canada or other purposes.

I told you earlier this afternoon very roughly the sort of idea which Towers had put forward to me last Friday in regard to Stage 3.

It might be preferable to put up to the U.K. a proposition that we would provide them with Mutual Aid in Stage 2 on condition:

(a) that they would take at least certain minimum amounts of specified goods from us during that stage;

(b) that they would afford us Most Favoured Nation treatment during Stage 3, at least on certain guaranteed quantities of specified supplies, provided, of course, that we would make credits available to them for the purpose. (It might be necessary to settle at an early date on the terms of such credits.)

(c) that they would not use their Canadian dollars for the repayment of debt to us at more than a certain rate, possibly depending on our balance of payments;

(d) possibly that they would be prepared to pay for some fraction of their purchases in Stage 3 in gold or U.S. dollars.

I am a little alarmed at the unknown difficulties which may lie ahead in attempting to work out conditions applying to what is essentially a non-multilateral trading world which we have not yet explored at all. I think it is desirable that we should get someone to work on this right away, if we are to put it up to Keynes when he is here. I would therefore suggest that we ought to arrange a meeting as early as possible—say Wednesday morning—of yourself, Towers, Mackintosh, Robertson, Rasminsky, Master, Pierce, myself, and perhaps others, to discuss this matter and perhaps initiate some intensive work on it in the next few weeks.

R. B. B[RYCE]

521. DEA/154s

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

TOP SECRET Ottawa, November 23, 1944

The forthcoming discussions with Keynes should not be limited to the United Kingdom's financial difficulties during Stage II. If Canada is to be asked to make a substantial contribution, it is fitting that thought should be given at the same time to our problems. We should speak for Canada's trade interest in Empire markets and the spokesman should be you.[271]

We should express emphatically to Keynes our disagreement with the possible implication of the policy set out in the document "British Requirements for the First Year of Stage II," Annex A,† Page 2:

"Under existing arrangements countries in the sterling area are free to spend their sterling balances anywhere in the sterling area without restriction and to obtain external currencies on condition that they are required for essential goods which cannot be obtained from the sterling area ... It is not anticipated that a similar latitude to spend sterling balances outside the sterling area can be continued much longer."

Unless this policy is confined to balances built up during the war, it means that we are to be deprived of the opportunity even of competing in the markets of the Empire, to whose survival we contributed by depleting our resources and sacrificing our men. The effect on the ties between Canada and the United Kingdom will be anything from harmful to catastrophic.

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[271]Note marginale:
Marginal note:
I agree. H. H. W[RONG]

Our dependence on exports is as great as the United Kingdom's. We shall end the war perhaps without a net debt but not substantially a creditor nation. If the British need exports to pull themselves out of debt, we shall need exports to keep from going into debt. It is not too much to ask that they lengthen slightly their period of recovery from war impoverishment to prevent our impoverishment during the peace that follows the war.

It is not too much to ask because they can contribute greatly to our well-being at no appreciable cost to their own. Our exports to the British Empire in 1939 were about $430,000,000, 47% of our total. The Keynes document estimates that British imports will have to be about $6,000,000,000. Our exports to them are the basis of our external trade. Their imports from us are a factor of much less importance to them. Much of the imports they must retain as essential. The portion of imports which they will be able to eliminate will be correspondingly less important to them but still seriously damaging to us.

We have sound grounds for urging that even if the U.K., with an eye to the U.S., adopts the policy in general an exception be made for Canada:

1) We are participants in the system of Empire preferences. While in the past, Canada, with the rest of the Empire, has shared its benefits, the preferences will be valueless if the British policy is put into effect. We shall find ourselves then receiving only the disadvantages that even nominal participation will attach to us in our negotiations with the United States and nations outside the preference area. Indeed, we shall be precluded from enjoying even m.f.n. privileges with, say, Belgium or the Netherlands, let alone benefit from preferences!

2) The British say on page 2 of their document:

"The British people, with the Dominions, is alone amongst the United Nations in having been in the front line from the first to the last day of the German war. It has expended itself in the effort and unlike most others of the United Nations, it has endangered its actual means of livelihood in the transition period after the war."

We can urge the same point of view.

3) Our dependence on exports is much greater than that of the United States. We can accept, if we have to, a limitation holding us to our prewar share of Empire markets and forgo, until a later stage in the British recovery, our right to compete for a greater share of the markets than we enjoyed in peace. This would provide the British with protection against the expected U.S. drive for expansion in American exports.

4) Unlike the United States, we are not a creditor nation of importance and we cannot stand a deterioration in our position to permit an improvement in the British position.

We should accompany our claim with an expression of our disposition to adopt a liberal import policy and a liberal credit policy. We shall probably have to agree that we cannot expect the U.K. to convert sterling balances but rather that we may have to advance credits to Empire countries.

Evidence accumulates pointing to the diversion of trade because of currency reasons, though it is difficult to attribute loss of trade specifically to one reason rather than another.

1) You know of the carbide case with Australia. The Australians have relaxed their restrictions and are now issuing import licenses.

2) You know of the agricultural implement case with Ireland, where we have difficulty proving that our interests are seriously affected, but know that the course of trade was altered for currency reasons.

3) We know too that the British West Indies have been advised by a representative of the Secretary of State for the Colonies that Canadian dollars are subject to the necessity of conservation.

4) We have just heard from the Canadian Trade Commissioner in Trinidad that the import restrictions agreed to at the Jamaica Conference in 1942,[274] because of the shortage of shipping, are still adhered to by the Trinidad authorities. We asked them to allow the import of apples and apple products, but were informed that no action could be taken until the currency situation was clarified.

As regards Britain's own trade:

1) We inquired recently on behalf of the Department of Trade and Commerce from the United Kingdom authorities as to whether they would welcome our sending prototypes of prefabricated houses. The U.K. reply expressed their gratefulness but said:

"As you will understand, the question of whether we can ultimately purchase prefabricated houses from Canada will have to be considered later in the light of our dollar position..."

2) Representatives of the Massey Harris Co. have just returned from the U.K. and report that they cannot get orders because of currency difficulties.

We can make it clear that we are putting forward our proposals in the present circumstances where the British show intention of retaining preferences and using currency as a weapon of trade. We can tell them that we are prepared to discuss with them and the United States the basic problem, untouched in the above, of solving the British difficulties in their balance of payments position, difficulties we fully appreciate. However, it is equally important that the British should appreciate our difficulties.

S. D. P[IERCE]

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[274] Voir le volume 9, document 890.
See Volume 9, Document 890.

522. DEA/154s

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6602 Washington, November 23, 1944

Following for Dr. W. C. Clark, Deputy Minister, Department of Finance, from A. F. W. Plumptre, Begins:

The Future of Lend-Lease

1. The Delegation from United Kingdom, headed by Lord Keynes, has now practically concluded its discussions with the American group under the Chairmanship of Secretary Morgenthau. Frank Coe is the Secretary of the American group and the bulk of the material which follows comes from him.

2. There has been little disagreement on the amounts to be involved in Lend-Lease during the year following V-E Day. The British requested, and the United States agencies concerned have accepted, one programme of roughly $3.5 billion of military supplies and another approaching $3 billion of civilian supplies. Both programmes involve reductions after V-E Day of 40 to 50 percent below current rates of supply. The civilian programme includes the following:

$800 million to $1000 million for food;
$800 million for shipping (both vessels chartered to the United Kingdom and also services of W.S.A.[275] vessels);
$250 million to $350 million for petroleum products;
$250 million for a variety of materials such as forest products, chemicals, etc.;
$50 million or less for fully manufactured goods.

3. The chief source of disagreement has been the lifting of the White Paper.[276] The British particularly regret that they have not cleared this matter. It was one of the primary points of their mission and early discussions with the United States gave them reason to believe that they would gain it. Specifically, they hoped to get White Paper restrictions lifted as of January 1st, 1945. I understand they were planning to shift all their purchase of basic materials, such as steel, to a cash basis by that time, and that suitable adjustments were suggested in respect of stocks of such Lend-Lease materials in United Kingdom. However, the United States agencies have ultimately found

[275] War Shipping Administration.

[276] Mémorandum du 10 septembre 1941 du Gouvernement de Grande-Bretagne au Gouvernement des États-Unis. Voir États-Unis, *Department of State Bulletin*, vol. 5, 13 septembre 1941, pp. 204-6.
Memorandum of September 10, 1941, from Government of Great Britain to Government of United States. See United States, *Department of State Bulletin*, Vol. 5, September 13, 1941, pp. 204-6.

themselves unable to go beyond a recommendation to the President that the United Kingdom should be freed of White Paper restrictions after V-E Day, except, repeat except, in so far as

(a) Accumulated stocks of Lend-Lease materials are involved;

(b) The United Kingdom exports involve materials that are still on the critical list.

4. As this indicates, the United States agencies are very concerned by the possible reaction of the public to whatever may be done. The keynote of the Administration's approach to the public (as sounded in some remarks by the President at Tuesday's Press Conference) will be that everything is to go along much as usual, and with little change. Public announcements are to be minimized. The hope of the United Kingdom that they could announce immediately the virtual abandonment of the White Paper from the beginning of 1945 has been completely shattered.

5. The cautious attitude of the United States agencies is reflected in the treatment accorded to the so-called "Chapter 3 items," a miscellaneous group of requests put forward in Chapter 3 of the British submission. In some cases, the British have suggested that Lend-Lease on these items should be retroactive. The United States has indicated that they cannot allow all these items, but that they hope to be able to permit enough of them to aggregate some $200 million from now until one year after V-E Day. They are at present engaged in explaining that they have not made a commitment to this effect. The Chapter 3 items include the following:

(a) Civilian supplies of tobacco. It is unlikely that this item will be reinstated on Lend-Lease, particularly in view of the current shortage of cigarettes here, and despite Keynes' insistence that this shortage would continue whether tobacco for United Kingdom was Lend-Lease or paid for.

(b) Sugar from non-United States sources. This item is also unlikely to be reinstated.

(c) Materials for temporary housing. This item may be approved.

(d) Certain special oil supplies.

(e) Increased supply of shipping services. It has been suggested on various occasions in the past that the shipping services provided on Lend-Lease should not be confined to the movement of Lend-Leased (or Lend-Leasable) materials, but should cover other services of W.S.A. vessels.

6. The United Kingdom originally requested that they should obtain Protocol treatment which would give them absolute assurance on their Lend-Lease supplies. They receded from this view as it became clear that the firmness of the commitment was necessarily in proportion to its size. Accordingly, as the foregoing paragraph indicates, there are a good many loose ends left from the discussions, although some of these, including certain Chapter 3 items, will probably be cleared up in the next few days. Even then, as far as the United States side is concerned, whatever has been settled remains in the form of a recommendation to the White House and not an ultimate commitment.

7. At the beginning of the discussions the United Kingdom presented an exhaustive statement of the difficulties with which they were confronted. No doubt a similar statement will be presented in Ottawa. Amongst its salient features was the fact that the British balance of payments during the last few years had involved them in an annual increase of foreign indebtedness of something like $2.5 billion. They expect that this rate would continue in the first year after V-E Day, and that in addition they would lose something like $300 million of gold and United States dollars. There appears to be no substance in the widespread rumour that a loan was being discussed.

8. An attempt was made to bring the Dominions concerned (Australia and New Zealand) into the discussions at an appropriate point. This attempt was apparently unsatisfactory. There was considerable doubt as to whether the United Kingdom was or was not claiming for all war supplies and certain other materials to be Lend-Leased to the Commonwealth as a whole. Both Australia and New Zealand put forward requests for goods which obviously could not be provided by the United States on Lend-Lease, e.g., finished clothing. Finally, some misunderstanding apparently arose on the nature and scope of reverse Lend-Lease. All this emphasizes the wisdom of Canada's determination to steer clear of the whole business from the beginning.

9. In their discussions with the United Kingdom, the United States officials have assumed that the United Kingdom will continue to have access to supplies from Commonwealth sources. This, of course, has general implications in the field of supply. In addition it has political implications where Canadian Mutual Aid is concerned. I was informed categorically that the whole United States programme of Lend-Lease to United Kingdom would undoubtedly be jeopardized if the Canadian Government found itself unable to continue Mutual Aid at least on some broadly comparable basis. Ends.

523. DEA/4929-U-40

Mémorandum du ministère des Finances

Memorandum by Department of Finance

TOP SECRET

NOTES OF MEETING IN OFFICE OF MINISTER OF FINANCE, OTTAWA, DECEMBER 1, 1944, TO CONSIDER STAGE 2 MUTUAL AID PROGRAM

A meeting was held in the office of the Hon. J. L. Ilsley, Minister of Finance, at 9.30 a.m. Friday, December 1, 1944, for the purpose of having Lord Keynes, Sir Robert Sinclair and others of the United Kingdom Delegation present to Mr. Ilsley and his colleagues the U.K. proposals regarding their requirements from Canada during the first year of Stage 2 (i.e., following the end of substantial hostilities against Germany) and various possible means of financing them. Those present included:

For the United Kingdom:

Lord Keynes,	United Kingdom Treasury
Sir Robert Sinclair,	Ministry of Production
Mr. Stephen Holmes,	Deputy High Commissioner for the United Kingdom
Hon. R. H. Brand,	United Kingdom Treasury
Mr. Gordon Munro,	United Kingdom Treasury
For Canada:	
Hon. J. L. Ilsley,	Minister of Finance (in the chair)
Hon. C. D. Howe,	Minister of Munitions and Supply
General the Hon. A. G. L. McNaughton,	Minister of National Defence
Hon. L. S. St. Laurent,	Minister of Justice
Hon. J. G. Gardiner,	Minister of Agriculture
Hon. J. A. MacKinnon,	Minister of Trade and Commerce
Dr. W. C. Clark,	Deputy Minister of Finance
Mr. Hume Wrong,	Acting Under-Secretary of State for External Affairs
Mr. Karl Fraser,	Mutual Aid Administration
Mr. R. B. Bryce,	Department of Finance

MR. ILSLEY explained that he had called this meeting to enable his colleagues on the Mutual Aid Board to hear from Lord Keynes and Sir Robert Sinclair the information and proposals which the latter had put forward to Mr. Howe and himself at an earlier meeting and to discuss these proposals. The main proposals under consideration were the U.K.'s estimated requirements from Canada in the first year of Stage 2, which is taken as being the fiscal year commencing April 1, 1945, and the means of financing them. In addition, it was proposed to discuss three specific questions: the terms on which locomotives would be provided for the Indian State Railways, the liability of the U.K. for cancellation of contracts in Canada for the production of munitions for the U.K., and the proposed contracts for the purchase of bacon and beef by the U.K. in 1946. He asked Lord Keynes to introduce the general subject from the point of view of the U.K.

LORD KEYNES began with an exposition of the physical aspects of the problem, emphasizing the high degree to which the U.K. had been mobilized for war purposes and the necessity for some "moderate easement" in Stage 2. In addition he emphasized the necessity for commencing to rebuild the U.K.'s export trade in order that she might support herself externally after the war. In order to carry out the war effort in Stage 2 upon which she agreed at Quebec and secure an easement in civilian standards and some increase in exports, the U.K. is dependent upon aid in her war effort from the United States and Canada. In the discussions just concluded in Washington, the U.S. had undertaken to supply nearly all that the U.K. had requested from her, with the exception of certain items which could not be provided because of the limitations on available supplies. The U.S. had not refused any supplies on financial grounds. It was emphasized, however, that there was a limit to the war supplies which the U.K. could obtain from the U.S. in Stage 2, because of the types of supplies involved and the fact that types hitherto produced in the U.K. and Canada but not in the U.S. could not be put into production for the first time in the U.S. during Stage 2. While the U.K. is ceasing to get certain

types of supplies from the U.S. under Lend-Lease, she will get certain other types of goods under Lend-Lease that she has not been obtaining recently. Lord Keynes emphasized that the U.S. war production and war effort as a whole in Stage 2 would be a high proportion of that in Stage 1—probably of the order of 75%—and that the assistance which she is giving the U.K. will enable the latter country to reduce her war effort in Stage 2 proportionately.

The program being requested of Canada provides for at least a proportional reduction in Canada's physical war effort, even though the U.K. requirements of food and raw materials are as a total maintained at approximately the level of Stage 1. In fact, it appeared that Canada's direct war effort and war production could be reduced by at least as much as, and possibly more than, that in the U.S. and the U.K. Consequently it would not appear that the U.K. is asking Canada to undertake more than her share of the common effort in Stage 2. By contrast, Australia and New Zealand cannot expect any degree of relaxation in Stage 2, because of the substantial requirements of the fighting forces in the Pacific and the need for those countries to maintain their own fighting forces.

LORD KEYNES went on to point out that the program asked of Canada was physically convenient for her as well as fair in proportion to the others. The munitions program for the U.K. is reduced to about 70% of the current year and permits a tapering-off in munitions production. MR. HOWE concurred in this. The food program, while possibly requiring some effort to maintain bacon production, was on the whole convenient as a continuing market for the expanded Canadian farm production.

LORD KEYNES went on to say that the difficulty arose when one attempted to translate the physical program into financial effects and to overcome the financial difficulties. He said that during the current year the U.K. is receiving approximately $2 billion from the Canadian Government, but nearly three-quarters of this is in the form of receipts from the Canadian forces overseas, i.e., something over $1400 million, while only the remainder—something over $500 million—is in the form of Mutual Aid. Next year, however, the receipts from Canadian forces will be very greatly reduced—probably by about $1 billion— amounting only to something over $400 million, and even this amount is highly uncertain, depending as it does on the rate of repatriation of Canadian troops in U.K. and the bases and equipment for the R.C.A.F. squadrons. Consequently, even though the requirements of the U.K. in Canada for munitions are reduced by approximately $350 million, it appears that Mutual Aid will be required on the scale of approximately $1200 million for the sterling area, apart from anything which other countries may require. That would be double the Mutual Aid which the sterling area is obtaining this year.

MR. ST. LAURENT inquired of Lord Keynes whether there would not be a counterbalancing benefit to the U.K. in the reduction of the expenditures of the Canadian forces in the sterling area, since these payments were made for goods and services and consequently the U.K. would be relieved of the need to furnish goods and services to the Canadian forces in an amount that must represent the physical equivalent of the total of $1 billion in expenditures. This should itself

allow a considerable alleviation of the stresses on the U.K. economy and public. LORD KEYNES said that, broadly speaking, this was correct, but it should be borne in mind that it is the whole pool of resources contributed to the U.K. which is relieved, part of which they have met by borrowing in the past. Moreover, the U.K. was asking Canada and the U.S. to contribute less to that pool than in the past, so that both these countries were getting some relief from the reduction in the total calls upon the pool. SIR ROBERT SINCLAIR pointed out that the relief afforded by the lower demands of the Canadian troops had already been taken into account in the physical program on which their requirements had been based.

LORD KEYNES stated that the U.K. Government feel that the creation of debts during the war is not a proper means of settlement among Allies. The U.K. were having to borrow from certain sources, notably India and Egypt, but there were intelligible if not entirely convincing reasons why this is necessary, despite the principle to which London adheres strongly. If, for the sake of argument, this view of the U.K. Government can be accepted, the question then arises: what is the most convenient form in which to finance the excess of the U.K.'s requirements in Canada? This was, of course, a Canadian matter, but, said Lord Keynes, Mr. Ilsley had encouraged him to present to the group the suggestions which had previously been discussed.

MR. BRAND stated the underlying assumption is that Canada is a full partner of the U.S. and the U.K. in the war against Japan. MR. ST. LAURENT questioned whether the Canadian people were prepared to agree that Canada's interest in the Pacific war was sufficient to justify that assumption. Canadians felt that in the European war they should and would exert themselves to the full, but they did not feel that that was necessary for Stage 2. LORD KEYNES noted that both the U.K. and the U.S. were going to do less against Japan than they were doing in Stage 1, and the principal question is how much less and in what proportions the relaxation will be distributed. The British population has suffered a great deal more up to date than people on this continent, and it is now a question of how far they should be forced in Stage 2, and how far North America is prepared to give them some support and contribute to a fair division of the relaxation in the total effort that can now take place. In subsequent discussion Lord Keynes indicated that if Canada felt unable to supply the food which the U.K. requested, it would likely mean a poorer diet for the British public. If there was a moderate reduction in the munitions which Canada could supply below those requested, it would probably have to be made good from British production, with a consequent limitation on production for civilian purposes or exports. If there was a large gap between the munitions which the U.K were requesting and those which Canada was able to supply, or if Canada, for example, felt it necessary to reduce substantially the number of air squadrons which she could provide, then the need might arise for a revision of the strategic decisions taken at Quebec.

LORD KEYNES at Mr. Ilsley's suggestion, went on to outline the apparent alternative methods of meeting the sterling area deficit. The first was to go on as in the past, in which event the sterling area requirements for Mutual Aid

would appear likely to amount to approximately $1200 million. This would require considerable explanation and justification in relation to the reduction of Canada's direct war expenditures and participation in the fighting, because it would appear disproportionate. The second alternative was the suggestion which the U.K. had put forward in a memorandum some weeks previously, submitted by the High Commissioner and Mr. Munro to Mr. Ilsley.[277] This was that military and munitions efforts should be pooled, the Canadian forces supplying to the U.K. forces what equipment and services the latter required from Canada, and the U.K. forces likewise supplying to the Canadian forces what they required from the U.K. This would enable financial accounting to be dropped in respect of the military effort. Had such an arrangement been in force this current year, he said, there would have been an approximate balance between what Canada received and supplied. Next year, however, such an arrangement would benefit the U.K., as the Canadian contribution of munitions would be much higher than the supplies and services received by the Canadian forces. Lord Keynes later made clear that he included war services in the items which would be supplied without financial accounting, as well as munitions. He stated that the U.K and the U.S. have abandoned a meticulous accounting between themselves in respect of military items. The U.S. forces furnish through Lend-Lease machinery the requirements of the U.K. forces, and the U.K. furnish to the U.S. forces anything which they ask for within reason. It was not suggested that Canada should go as far as the U.S. in this regard, but as far as possible under the circumstances. If this were applied in the coming year, it would appear to involve Canada's providing to the U.K. about $900 million worth of ammunitions, plus roughly $100 million of associated services, while the Canadian forces would receive perhaps something of the order of $350 million in services and supplies from the U.K. As MR. ILSLEY pointed out, this would mean a net addition to the Canadian War Appropriation of some $650 million, leaving about $550 million (the remainder of the $1200 m. mentioned above) required as Mutual Aid in the form of food and raw materials, of which about $60 m., Lord Keynes suggested, would be for parts of the sterling area other than the U.K.

In support of this pooling arrangement, LORD KEYNES cited several arguments. The first was its ease of presentation and explanation, the emphasis being put on the essential point of pooling military efforts without accounting. On the other hand, he recognized that the change to such a system at this stage would be hard to explain and justify and there would be danger of arousing suspicion. Secondly, the amounts to be required by the Services on both sides can only be estimated with great uncertainty at this stage, and if the precarious estimates proved wrong, difficulties might ensue were a Mutual Aid Appropriation based upon them. On the other hand, the food and raw materials items once decided upon can be forecast with relative accuracy and the amount of Mutual Aid required can be estimated fairly readily in advance.

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[277]Voir la pièce jointe, document 518.
See enclosure, Document 518.

Some discussion took place at this point regarding the forecast of the overseas expenditure of Canadian forces and the relation of such expenditures to bases and equipment used by the Canadian Army and the R.C.A.F.

LORD KEYNES went on to mention certain alternative suggestions which had been previously discussed by which part of the program might be differently financed. In the first place, he mentioned Mr. Howe's suggestion that the various naval vessels being produced for the U.K., including the victualling and maintenance ships, might be taken over by the Canadian Navy rather than the Royal Navy. If this were done, it would relieve the Mutual Aid Appropriation or pooling arrangements of costs to an amount of perhaps $250 million. There was a brief discussion of this suggestion, but no attempt to reach a decision. Lord Keynes then went on to point out that the U.K. was bearing a large proportion of the costs of maintaining prisoners of war in Canada. He suggested that there appeared to be little reason to justify the U.K. assuming this expense, and that it was instead reasonable to suggest that that country in which the prisoners were held should bear the cost of keeping them there. He said the amounts involved up to date for prisoners appeared to be something of the order of $25 million, and it was possible that the amount next year might also be $25 million. There was some discussion of this proposal as well. A third and somewhat similar item was the cost of the Joint Inspection Board carrying out the inspection of munitions production. The United Kingdom are paying about $30 million a year toward this cost at present. LORD KEYNES said his party believed it would be satisfactory if inspection became a wholly Canadian responsibility and Canada bore the costs of it. In answer to MR. HOWE he said that the Ministry of Supply had indicated their agreement to this, although he had not heard from the War Office. GENERAL MCNAUGHTON stated that he was definitely in favour of this suggestion and believed that it would be an improvement from the point of view of organization. He said he thought the War Office would agree to it, and that it was in accordance with a tendency which had been developed in Canada and the U.K. This change would help to make the channel of authority clearer and ensure finality in decisions regarding inspection. General McNaughton used this occasion to emphasize that he thought Lord Keynes was taking the right approach in saying that we should look first at the physical proposals and see that they are practicable and fair and that the organization is simple, and then we should let the financial arrangements follow.

LORD KEYNES stated that if these miscellaneous suggestions were followed, they would look after perhaps $300 million in expenditures and bring the apparent Mutual Aid requirements for the sterling area down from $1200 m. to $900 m. In this case, $1 billion might suffice to cover total Mutual Aid requirements. There was then some brief discussion as to the possible scale of Mutual Aid requirements outside the sterling area.

A brief discussion arose at this point regarding the alternatives of a Mutual Aid Appropriation to cover the total amount required, and the suggested pooling plan for military requirements. MR. ILSLEY also mentioned the possible alternative of lumping all requirements into the War Appropriation

and allotting such funds as were required from time to time for Mutual Aid purposes. The discussion covered as well possible magnitudes of the war budget as a whole in Stage 2 and its relation to the degree of relaxation in the war effort in Canada and the U.K.

The meeting did not endeavour to reach a decision regarding the amount of Mutual Aid or its equivalent to be provided by Canada nor the form it was to take.

LOCOMOTIVES FOR INDIA

LORD KEYNES, at Mr. Ilsley's request, then took up the several specific questions which the British wished to raise, the first being the means of financing Canadian production of locomotives and other rolling stock for India.[278] He explained the great need of rolling stock in India and stated that Field Marshal Wavell[279] had placed it in the first order of priority in Indian military requirements for Stage 2. He acknowledged that the rolling stock in question, particularly the locomotives, would undoubtedly last well beyond the end of the war, but he emphasized, as he had emphasized to the United States in regard to the same issue, that the residual value of the rolling stock at present being obtained would be very much less than the very great additional depreciation which Indian rolling stock was suffering as a consequence of the war. He stated that the U.S. Government had agreed to provide under Lend-Lease the difference between the cost of the rolling stock required by India and the estimated value of the rolling stock to India at the end of the hostilities, which was estimated to be approximately one-half the cost. He noted that the Canadian Mutual Aid Board had ruled that rolling stock is not a suitable type of supply to be provided as Mutual Aid, and in regard to one request at least had specified that rolling stock must not be purchased out of Canadian dollars accruing to the U.K., since that would increase the amount of other supplies requiring to be provided on Mutual Aid. The U.K. Government do not wish to press further for a supply of rolling stock as Mutual Aid, but they do wish to have the right to purchase this rolling stock out of Canadian dollars currently accruing to the sterling area. They take this attitude in view of the urgent need for war purposes of such rolling stock and their desire to avoid the incurring of debts for war purposes. The Indian Government and Indian Railways would, of course, pay cash for the rolling stock when they receive it, under such an arrangement.

LORD KEYNES said that he feels it is too tough to require that such rolling stock be paid for in U.S. dollars, which would have to come from the U.K.'s gold and dollar reserves which are already lower than they feel is desirable and are being further depleted. He emphasized that the United States had already agreed to provide half the cost of American rolling stock to India on Lend-Lease terms, and it would worry the U.K. greatly if they had to use the U.S.

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[278]Voir les documents 556, 559.
See Documents 556, 559.

[279]Vice-roi et gouverneur général de l'Inde.
Viceroy and Governor-General of India.

dollars saved by this action of the United States Government in order to pay for Canadian rolling stock.

MR. HOWE suggested that the earlier Canadian suggestion of making a loan for the financing of this rolling stock should be considered, and he felt that the objection in principle which the U.K. Government felt to war debts should not apply in this case, where borrowing is undertaken for a purpose that is normally covered by borrowing both in peacetime and wartime. LORD KEYNES stated that the objection to borrowing did not come from India, which was prepared and able to pay cash for these requirements, but came rather from the U.K. Treasury, who felt it would have to find the Canadian dollars required in the future to repay any loan incurred now for this purpose.

The meeting did not attempt to reach a conclusion on this matter.

CANCELLATION CHARGES

MR. ILSLEY opened the discussion on this item by stating that the liability of the U.K. in respect of costs incurred by Canada in the cancellation of contracts for the production of war supplies for the U.K. was not clear. The relevant documents did provide that balances in the U.K. Cash Receipts Account could be used for the purpose of meeting cancellation charges and the agreement under which Canada had taken over U.K. contracts in this country also provided that cancellation costs on such contracts would be met from U.K. funds if and to the extent that there were funds available in the U.K. Cash Receipts Account. Beyond this limited extent, however, there was, so far as he knew, no undertaking or definite understanding in regard to the degree to which U.K. would bear cancellation costs. At this time, when large scale cancellations may shortly occur, it seemed desirable to clarify the situation and reach some understanding.

MR. HOWE explained how it was that cancellation costs arose, and in particular the importance of the flow of parts and materials to production. He thought that the cost of cancellation was incidental to the contract itself and to production of the supplies and should be considered in discussing who should stand such costs.

LORD KEYNES said that cancellation costs will likely be substantial at the end of Stage 1 and later in Stage 2. He said that he understood Mr. Howe has regarded U.K. requests for supply as firm orders, and Lord Keynes stated that, in a sense, they were. On paper the position, however, is as Mr. Ilsley stated it and the U.K. believed it was desirable to straighten it out. Lord Keynes went on to emphasize that whether the costs of cancellation are covered in the Mutual Aid Appropriation or otherwise, there is much to be said for it being Canada's responsibility, so that Canada can take account of all the economic and social considerations involved in cancelling or cutting back production. The U.K. Government take account of these considerations in their own production and do not think simply of what will save the most money. If it were the U.K.'s responsibility to decide regarding Canadian production and if they were responsible for the costs, it would be natural that they would take the cheapest

course, which might, however, be the wrong course in view of wider considerations. If the pooling proposal were followed, the responsibility and mechanics would be clearly in Canada's hands. If it were not, the mechanics would be more complicated, and the U.K. would have to inform Canadian agencies as and when they would not require further supplies.

MR. ST. LAURENT said that if Canada were going to accept responsibility for cancellation costs, it would involve more Canadian responsibility in the placing of the orders, and the Canadian Government would have to exercise more discretion at that time. He felt it was apt to be confusing if one Government initiates the orders and another is responsible for paying not only costs of delivery but any costs of cancellation if the first government decides it does not require the supplies. LORD KEYNES said that Mr. St. Laurent's conclusions seemed to him correct as to the additional responsibility that would be put upon the Canadian authorities, but he emphasized that the cancellations normally resulted from decisions of the Combined Chiefs of Staff, to whose decisions we were all subject. MR. HOWE emphasized that the additional responsibility which Canada would be assuming under this arrangement included any decision to taper off production as and when it appeared likely to be sufficient. SIR ROBERT SINCLAIR suggested that this responsibility would have to be exercised by Canada in consultation with the U.K. authorities. MR. ILSLEY thought that Canadian responsibility for cancellation costs, together with pooling arrangements, would take the brake off U.K. requisitioning in Canada. Already the responsibility of the Canadian Government was heavy in accepting these orders and making commitments, particularly commitments extending beyond the current fiscal year. It was true that Canada must decide whether or not to accept the requisitions and whether or not to discontinue or taper off production; it was true that Canada had discretion in the matter; but Mr. Ilsley emphasized that it was exceedingly difficult for Canada to check up on the essentiality of U.K. requirements. He said he had to take the view that because Mutual Aid was limited, we could depend on the U.K. doing their utmost to keep Canadian requirements to bare essentials. If through a pooling arrangement the extent of assistance Canada would give on munitions were not subject to such a limit, there would not be this check and it would be more than ever necessary for Canada to attempt to weigh the essentiality of British requirements. He felt the Canadian Government was now in a poor position to dispute the need for any request placed by the U.K. in the way in which they might dispute or refuse a request put forward by a Canadian Department for additional equipment or other expenditures.

GENERAL MCNAUGHTON emphasized this point and said that the difficulty of the Canadian Government, he believed, arose from their lack of information regarding strategic and operational requirements. He felt if Canada were to exercise the responsibility which would be involved in deciding whether or not to put supplies into production, and whether or not production should be stopped or tapered off, the Canadian Government would need much more information on which to base its decision of strategic essentiality and military requirements. The Canadian Government would have to exercise this

substantial responsibility on the basis of the best and most responsible advice it could obtain. SIR ROBERT SINCLAIR said he felt this view was a wholly reasonable one and that the Canadian Government should be given any information it required to make a proper decision on these matters. He pointed out that Mr. Berry,[280] who had recently been in the U.K. to discuss the munitions program, had been given the whole picture, and that the requirements had been carefully explained to him. Sir Robert felt that General McNaughton and his officers should be able to obtain from the U.K. all that they required to know in order to ascertain the operational justification of the U.K. requirements. LORD KEYNES agreed with this view, and said that he believed Sir Robert Sinclair and himself ought to recommend that Canada be given full information on these matters to enable it to exercise the responsibilities for deciding what ought to be produced and when and how production should be curtailed.

BACON AND BEEF SUPPLIES FOR 1946

MR. GARDINER, at Mr. Ilsley's suggestion, outlined this problem. He stated that up to last year meat supplies for the U.K. had been provided on the basis of contracts extending over a year, but that last year, two-year contracts were entered into for bacon and for beef. We have now come to the end of the first year, and if production is to be maintained for U.K. purposes, it is necessary to restrict our products for shipment to U.S. markets and to give our producers the necessary assurance that will enable them to plan production for 1946 as well as 1945. Because of the long period of production involved, it was considered desirable now that each year negotiations should be entered into for the sale of bacon and beef products not only during the next succeeding year, but the one following that as well.

LORD KEYNES stated that the Ministry of Food agreed with Mr. Gardiner's views on this and were prepared to enter into contracts for the purchase of beef and bacon from Canada and had come to the Treasury for approval of them. The Treasury had pointed out, however, that financial arrangements are not made two years in advance, and the Treasury could not approve the Ministry of Food entering into commitments for 1946 unless they were able to get some assurance regarding their financial position in 1946. This was particularly difficult at the present time, because it was anticipated that 1946 would include a considerable post-war period in which Mutual Aid could not be expected. For this reason the U.K. Treasury felt that the U.K. Government should not sign firm contracts for the year 1946. Lord Keynes said that he felt in practice there is no doubt that finance will be arranged by one means or another, and he had been assured by the Ministry of Food that bacon and beef would receive high priority in the U.K.'s import requirements. They would not be marginal requirements likely to be dropped if the amount of finance

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[280] Directeur général, section de la production d'automobiles et de chars d'assaut, ministère des Munitions et des Approvisionnements.
Director General, Automotive and Tank Production Branch, Department of Munitions and Supply.

available was something less than sufficient for all requirements. Lord Keynes said that they were expecting to borrow from Canada to finance requirements from Canada at the end of the war, but they did not know at this stage how much or on what terms. He felt that they should not enter into this question of borrowing or other financial provision in respect of one particular item such as this, but should rather take it up as a general arrangement later. In the meantime, he felt the best they could do would be to sign a contract establishing purchase prices for bacon and beef and the minimum quantities involved, but subject to the financial arrangements which may be made at that time. In addition, they were able to give the Canadian Government the assurance he had mentioned, that bacon and beef would have a high priority among the U.K.'s various import requirements. He added that he had inquired specifically regarding the relation of these bacon requirements to the position of Denmark and had been assured that notwithstanding what might be done in regard to Denmark, the Ministry of Food would require this Canadian bacon in 1946.

There was some discussion of the points raised by Lord Keynes during his exposition. MR. ILSLEY summed up Lord Keynes' proposal as he understood it to be that the prices and quantities would be fixed and agreed upon, but the payment and consequently the completion of the transactions would be subject to the financial arrangements which may be made at that time. Mr. Ilsley said that the Government would have to consider this proposal from the U.K.'s side and see whether it was satisfactory to them or whether they wished to make any counter-proposals.

[R. B. BRYCE]

524. PCO

Conclusions du Cabinet

Cabinet Conclusions

TOP SECRET Ottawa, December 1, 1944

A meeting of the Cabinet was held in the Privy Council Chamber on Friday, December 1st, 1944, at 12.00 noon.

The Prime Minister (Mr. King), in the Chair.

U.K. SUPPLY PROGRAMME IN CANADA; FINANCIAL ARRANGEMENTS; BEEF AND PORK PRODUCTS CONTRACTS FOR 1946

1. THE MINISTER OF FINANCE reported upon the meeting held that morning of members of the Mutual Aid Board with Lord Keynes, Sir Robert Sinclair and members of the U.K. Treasury delegation.

U.K. requirements for Stage II (on the basis of the next fiscal year) were submitted, proposals for their financing being along the following lines:

(a) Assuming Mutual Aid to be carried on on the present basis, some $1200 million would be required to meet the needs of the sterling area alone, with a minimum additional $100 million for supplies to other countries. This might be reduced by some $300 million if Canada were prepared to assume the costs of certain Naval vessels building for the Admiralty in Canadian yards, and take on financial responsibility for maintenance of prisoners of war and the operation of the U.K.-Canada Inspection Board; or

(b) By restricting the Mutual Aid appropriation to food and raw materials and providing for munitions of war from the war appropriation—This would enable the Mutual Aid vote to be brought down to some $500 million; or

(c) By eliminating Mutual Aid altogether and providing for all British requirements in the war appropriation.

The alternative to accepting one or other of these proposals was to scale down Mutual Aid substantially and accept the consequent reduction in U.K. purchases.

2. Mr. Ilsley said that three specific items had also been discussed, namely, the provision of Mutual Aid funds for locomotives for India, Canadian assumption of cancellation charges, and long-term contracts with the U.K. government for supply of beef and pork products.

With regard to beef and pork, the United Kingdom were prepared in 1946 to accept Canadian supply at present prices and to give high priority thereto, subject to satisfactory financial arrangements to be concluded at a later date.

3. The Minister of Agriculture said that he was satisfied to accept the plan proposed for supply of beef and pork products in 1946, in which Canada would undertake to provide minimum quantities, it being understood that the United Kingdom would accept larger quantities if they could be shipped.

4. The Cabinet, after discussion, agreed that the general proposals submitted by the U.K. government representatives should stand over for further examination and subsequent recommendation by the Ministers of Finance and Munitions and Supply, approval being given, meantime, to the conclusion of agreements with the U.K. government, along the lines suggested, for the supply of beef and pork products in the year 1946.

A. D. P. Heeney
Secretary

525. DEA/154s

Le conseiller, la Trésorerie de Grande-Bretagne, au sous-secrétaire d'État aux Affaires extérieures

Adviser, Treasury of Great Britain, to Under-Secretary of State for External Affairs

Ottawa, December 2, 1944

Dear Robertson,

A certain number of points have arisen out of our recent discussion about which it may be useful if I let you have a little supplementary information before I go away.

1. There was a suggestion that in these times of scarcity the U.K. was not allocating to Canada a fair share of British exports. Since the total volume of our exports is so enormously reduced, this is a misapprehension which can very easily come about. In fact, however, it is the exact opposite of the facts. I append a table showing in terms of value, not of volume, the changes in our export trade between 1938 and 1943. I need not emphasize the lesson of this table, which speaks for itself.

2. Another statistical figure which is, I think, of interest is given on Page 2 of the attached paper, which deals, incidentally, with other matters also. This shows that the Sterling Area countries have taken 8½ billions of Canadian goods in the five years 1940-44, and have paid for rather more than 6, leaving about a quarter to be financed by the billion dollar gift and Mutual Aid.

3. The same paper which contains the figures in 2. above, also makes the best calculation we can on relevant manpower mobilisation.

4. With some hesitation owing to the precarious assumptions on which it is based, I attach a note† prepared by the Board of Trade showing certain of our hopes in the way of increasing exports to Canada in 1945. My own judgment is that in some respects these estimates are too optimistic.

5. You may like to have the actual text of the statement I made to the Americans on the Sterling Area dollar pool.† We shall be grateful if this could be treated in its present state as strictly confidential. If any version, which is likely to be couched in rather different terms from this, is subsequently made public, we will let you know.

I am sending similar letters to Clark, Towers and Gordon.

Sincerely yours,

KEYNES

[PIÈCE JOINTE 1/ENCLOSURE 1]

Table préparée par la délégation de la Trésorerie de Grande-Bretagne

Table prepared by Treasury Delegation of Great Britain

U.K. EXPORTS (PRODUCE AND MANUFACTURES OF THE U.K. EXCLUDING MUNITIONS)

VALUE £MILLIONS

	1938	1943	Decrease (-) or Increase (+) %
To British countries			
Canada	22.5	23.1	+3 %
Australia	38.2	26.9	−30 %
New Zealand	19.2	12.9	−33 %
Union of South Africa	39.5	21.7	−43 %
British India	33.8	17.6	−48 %
Eire	20.3	11.6	−43 %
Other British countries not enemy occupied	38.4	35.4	−8 %
Total British countries not enemy occupied	211.9	149.2	−30 %
To Foreign countries			
United States	20.5	19.3	−6 %
Argentina	19.3	9.6	−50 %
Brazil	5.2	4.1	−21 %
Egypt	8.7	4.5	−48 %
Other foreign countries not enemy occupied	67.4	45.5	−33 %
Total foreign countries not enemy occupied	121.1	83.0	−31 %
To enemy and enemy occupied countries	137.8	–	−100 %
To all countries	470.8	232.2	−51 %

[PIÈCE JOINTE 2/ENCLOSURE 2]

Mémorandum de la délégation de la Trésorerie de Grande-Bretagne

Memorandum by Treasury Delegation of Great Britain

TOP SECRET

FINANCIAL ARRANGEMENTS FOR STAGE II

A number of points have been raised in the discussions to which we have undertaken to provide additional information. This note covers certain of them.

I. *Possible Rearrangements in 1945-46*

(a) *Ships.* It has been suggested that the cost of naval and merchant ships should be borne by War Appropriation, and that the ships should then be lent to the Royal Navy. The 1945-46 deliveries are estimated by D.M.S. as follows: —

	$ Millions
Merchant Ships	60.4
Naval Ships (inc. repair)	189.1
	249.5

The merchant ship item includes only victualling issue ships and maintenance-type vessels for the Fleet train; there are no merchant ships for normal commercial use. The naval ship item consists mainly of transport ferries, minesweepers etc; a small part of it consists of barges, tugs etc. which might not be suitable for the suggested procedure.

(b) *Internment.* The United Kingdom Government bears certain charges for the cost of internment of prisoners of war in Canada. These charges totalled $11 million in 1943-44 and are estimated at $15 million in 1944-45, but may increase to $25 million in 1945-46. It is suggested that this charge should be borne by Canada, and that this should be made retrospective [*sic*].

(c) *Inspection.* The United Kingdom Government bears part of the cost of the Inspection Board of the United Kingdom and Canada. This charge was $29 million in 1943-44; it is estimated at $30 million in 1944-45, and there will still be a substantial charge of possibly $20 million in 1945-46. It is suggested that some or all of this charge could properly be borne by Canada.

II. *Proportion of Cost of Supplies from Canada borne by Empire Countries*

In the five years 1940-44, more than 70% of the supplies of goods and services provided by Canada for the British Empire will have been financed by earnings or from sales of securities, gold and U.S. Dollars, the remaining 28% having been financed by the Canadian taxpayer or billion-dollar gift or mutual aid.

The figures are as follows, in million $:

	Payments to Canada by Empire Countries	Payments by Canada to Empire Countries
1940	822	403
1941	1,321	516
1942	1,826	557
1943	2,066	850
1944 (estimated)	2,500	1,650
TOTAL 1940-44	8,535	3,976

Figures for 1940-43 from Dominion Bureau of Statistics International Branch; figures for 1944 estimated.

In round figures, Canada has supplied the British Empire with $8½ billion in goods and services:

	$ billions	
Exports to U.K.	6.5	(nearly one-half munitions)
Exports to other Empire	0.8	
Services	1.2	

These have been paid for as follows:

	$ billions	
Exports from U.K.	0.6	
Other Empire exports	0.5	
Payments for Canadian Forces	2.2	
Services	0.7	
TOTAL EARNINGS		4.0
Sterling loan	0.7	
Sale of securities, gold, U.S. dollars, etc.	1.4	
TOTAL CREDIT		2.1
Billion dollar gift	1.0	
Mutual Aid	1.4	
TOTAL CANADIAN TAXPAYER		2.4
		8.5

The proportion financed by cash or credit is thus nearly 72%.

The liability under the air training schemes, now estimated at $425 million, is not included in the above, because the terms of settlement are not yet determined.

III. *Relative Manpower Mobilization*

One question which was raised was the relative extent to which U.K. and Canadian manpower are currently employed upon war work. This is an extremely difficult calculation to make, and comparison must necessarily be subject to a very wide degree of error, especially as the two countries' economies and war efforts differ so fundamentally. We have made certain estimates, however, and show the results with all reservation.

In Great Britain at mid-1944, 67½% of the occupied population was engaged on Government work. This includes men and women in the armed forces and civil defence, in the production of munitions and other supplies for the armed forces, in public administration, in war construction, and in mining, transport, public utilities and other general services to the extent that these services are working for the armed forces and munitions industries. For example, if half the transport services are employed on movements for the armed forces and munitions industries, then half the transport workers are "on Government work;" agricultural workers are treated as being "on Government work" only in respect of food production for the armed forces.

For Canada, it seems to us appropriate to regard "Government work" as including men and women in the Forces and in the manufacture of munitions and in the various ancillary services correspondingly. But an addition must also be made to cover the manpower engaged on production of exports of primary products which is just as integral a part of Canada's war effort as the Forces and the munitions industries. Making rather wide assumptions to relate the value of exports to the manpower engaged on producing and transporting them to port, we get the following approximate table:

Forces	770,000
Munitions	750,000
Export of non-munitions	700,000
Various other services	400,000
	2,620,000

Canada's total occupied manpower is about 5,100,000, which gives a ratio of about 51%. Appropriate allowance for the work of farmers' wives would raise this to about 56%. We believe that this figure is fairly comparable with the Great Britain figure of 67½%.

526. DEA/154s

Le gouverneur, la Banque du Canada, au sous-secrétaire d'État aux Affaires extérieures

Governor, Bank of Canada, to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, January 5, 1945

Dear Mr. Robertson,

I am enclosing herewith two copies of the promised memorandum, "Post-war Commercial Policy Prospects."

Yours sincerely,

G. F. TOWERS

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de la Banque du Canada

Memorandum by Bank of Canada

SECRET

POST-WAR COMMERCIAL POLICY PROSPECTS

A PROPOSAL FOR AVERTING A BREAKDOWN IN INTERNATIONAL TRADE RELATIONSHIPS

I. *Statement of the Problem*

1. During the past year or so there has been a marked deterioration in the prospect of arrangements being agreed upon among countries which will permit of a high level of international trade on a non-discriminatory basis after the war. The main visible factor causing the deterioration has been the growing strength of the British influences favouring a bilateralist development of their trade. Certain American developments must also cause anxiety, in particular their agriculture price maintenance programme if it involves, as it almost necessarily does, export subsidies and import quotas. If no special action is taken to reverse present tendencies, one can look forward to a complete breakdown of international trade relationships after the war. This memorandum examines the nature of the problem, discusses some of the general political implications and the particular economic implications for Canada of a

continuation of present tendencies, and suggests the general lines of a proposed solution.

2. The United Kingdom advised us in D.O. circular telegram No. D.1752 of November 30, 1944,[†] of their decision to propose that quantitative restrictions on imports of foodstuffs should be permitted as a permanent part of the rules governing international trade relations after the war. In his press conference in Ottawa on January 5, 1944, Mr. Hudson, U.K. Minister of Agriculture, made it clear that the British intend to foster their domestic agriculture and to cut down on imports of foodstuffs. The implications of this policy are aggravated, so far as Canada is concerned, by the second main trend evident in British policy. This is the growing strength and influence of the British groups which wish, for one reason or another, to foster trade within the sterling area after the war, while discriminating against the "hard currency" countries, mainly the United States and Canada.

3. There are a variety of motives determining U.K. attitudes in this matter of trade discrimination on currency grounds after the war. The motives are only partly economic; in part they are political in character. But there is one objective factor in the U.K. position which enables them to plead, with justification, that they have no alternative but to discriminate against imports from the dollar countries. This factor is their lack of dollar resources and their shortage of dollar earning power. During the war this has been made good by our billion dollar gift and Mutual Aid appropriations and by Lend-Lease in the United States (and in part, of course, by the repatriation to Canada and the United States of British-owned securities). After the war, when these sources of financial assistance come to an end, the British can claim that the sheer arithmetic of their position will force them (and the rest of the sterling area) to limit their dollar outlays to the inescapable minimum. In the recent U.K. Top Secret Memorandum entitled "British Requirements for the First Year of Stage II,"[†] the net U.K. gold and dollar reserves at the end of 1944 were estimated at $1,500 mm. as compared with gross gold and dollar reserves of $4,200 mm. in August 1938. On the other hand their short-term liabilities to foreigners in the form of sterling balances amounted to the colossal figure of $12,000 mm. compared with $3,000 mm. at the earlier date. In addition to the loss of liquid assets and the incurring of nominally liquid liabilities, the Chancellor of the Exchequer estimated last April that the British had liquidated overseas assets to the extent of about $4,000 mm. during the war. The British summarize their international capital position by saying that they entered the war a net creditor on international account to the extent of $14,000 mm. and will emerge a net debtor on international account to the extent of $5,000 mm.—a deterioration of $19,000 mm. in their overseas position.

Superimposed on this precarious capital position, the British must anticipate very large deficits in their current account transaction with the rest of the world during the years immediately after the war. Their pre-war income from overseas investments and shipping services will be greatly reduced. On the other hand, their import requirements for reconstruction purposes and to make good part of the consumption deficiencies of the lean war years will be very

high, while time will be required for them to re-establish their export trades. They estimate that the accumulated deficit in the first three years after the end of the war against Japan will amount to $4-5,000 mm., without making allowance for repayment of any part of the abnormal sterling balances.

The British do not indicate how much of this deficit is expected to occur with the sterling area and how much with the non-sterling area. Bearing in mind, however, the level of their gold and U.S. dollar reserves (which are not much higher than the minimum balances needed to finance international trade and to hold as an emergency chest) they are, in default of special measures of assistance, quite entitled to argue that the only course open to them is to reduce their deficit with the dollar countries as much as possible.

4. So much for the objective facts determining the U.K. attitudes. Other considerations also enter. On the economic side, there are important groups in the U.K. which welcome the development of a closed sterling area which would discriminate against imports from the dollar countries, since they fear open competition with the United States and Canada. They are quite pleased to have this additional protection not only in the domestic market but also in important export markets—for under the policies now emerging the other parts of the sterling area would be forced to use the proceeds of their exports to the U.K. to buy goods there, and this regardless of price: the sterling would have nowhere else to go. The British are counting on post-war exports double the pre-war value (approximately 50 per cent higher in volume) but in view of the high cost position of some of their main industries, e.g. textiles and iron and steel products, some of them may well wonder how this can be achieved in the absence of Shachtian[281] bilateralist devices which enable the British to force their exports down other peoples' throats. A more sophisticated attempt at justification of trade discrimination on currency grounds has recently been made by the influential London *Economist*.[282] The argument runs that, quite apart from the difficulties of the British payments position, the dollar countries are undesirable trade partners since they cannot be depended on to keep their own houses in order by maintaining domestic prosperity and by balancing their international accounts at a high level, and hence threaten to become focal points of deflationary infection. In view of this, the *Economist* resigns itself with pleasure to the necessity of trade discrimination against the dollar countries: the British should, in this view, seek to balance their accounts with the dollar countries at a low level, borrowing the minimum amounts required to pay for indispensable imports which cannot be obtained elsewhere, and seek for trade expansion in other directions, namely with the "similarly expansive-minded" countries of the sterling area.

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[281]Hjalmar Horace Greeley Schacht, président, la *Reichsbank*, 1924-30, 1933-39; ministre des Affaires économiques de l'Allemagne, 1934-37; ministre sans portefeuille, 1937-44.
Hjalmar Horace Greeley Schacht, President, Reichsbank, 1924-30, 1933-39; Minister of Economics of Germany, 1934-37; Minister without Portfolio, 1937-44.

[282]Voir le numéro du 14 octobre 1944, pp. 501-2.
See issue of October 14, 1944, pp. 501-2.

On the political side, the imperialist group in the U.K. naturally welcomes anything which throws a cordon around the Empire. And it is obviously British policy to try to bolster their position by enlarging the sterling area (or creating a sort of semi-sterling area) to include the countries of Western Europe. The recent Anglo-Belgian Monetary Agreement,[283] limited though it is, is no doubt the forerunner of other and more extensive arrangements which the British will attempt to make with other European countries. Whether they will be successful is another question: the French show no disposition to become a minor constellation in the British orbit. However that may be, there is little doubt that the desire to create a unified bloc which will give her an influence in world affairs proportionate to that of the United States and the Soviet Union forms part of the explanation of the wish of some sections of British opinion to consolidate and develop the sterling area.

More basic perhaps than any of the explanations of this development already referred to is the deep-seated resentment, conscious or subconscious, which is felt in the U.K. against the present financial supremacy of the United States. It is difficult for us to realize to what extent the pride of the British, accustomed to regarding themselves as the world's banker, has been injured by having to approach the United States, hat in hand, for financial assistance in the war, to justify their dollar expenditures and their dollar balances, to accept limitations on their freedom of action regarding exports, and so on. It is not altogether surprising that some of them should have made up their minds that never again would they approach the United States *in forma pauperis*: that after the war was over they would run their own show in their own way and not have the United States in a position to tell them where to get off. The present undignified transatlantic squabble is a reflection of this attitude—as well as a foretaste of the political consequences which will inevitably follow in Anglo-American relations if the present trends in British economic policy are not reversed.

5. As to the direction of those trends, there can be no mistake. One need not rely on the verbal testimony of Mr. Hudson, the British Minister of Agriculture, who has said during his present visit to Ottawa that he and some of his colleagues have made it clear to Mr. Churchill that they will not stand for any "multilateral nonsense;" that countries which want to export to the U.K. after the war will have to take British goods in exchange and if they don't like that they can sell elsewhere; that the U.K. will "luxuriate in the position of a debtor country." The facts are there to speak for themselves, and during the past few months, as the supply and shipping position have eased, numerous instances have come to the attention of Canadian officials of British or other sterling area countries refusing to grant import licences for goods we have supplied in

[283] Voir Grande-Bretagne, ***Monetary Agreement Between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Belgium, London, 5th October 1944***. Cmd. 6557, Belgique N° 1 (1944), Londres, H. M. Stationery Office, 1944.
See Great Britain, ***Monetary Agreement Between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Belgium, London, 5th October 1944***. Cmd. 6557, Belgium No. 1 (1944), London, H. M. Stationery Office, 1944.

the past on the ground that Canadian dollars could not be made available since the goods (even though essential in character) were obtainable within the sterling area. If any confirmation is needed that this policy will become tougher in the future it is to be found in the U.K. memorandum referred to in paragraph 3 above where it is explained (Annex A, page 2) that under existing arrangements, the countries in the sterling area are free to spend their sterling balances anywhere in the sterling area without restriction, and to obtain external currencies on condition that they are required for *essential goods which cannot be obtained from the sterling area*, but that it is not anticipated that *a similar latitude* to spend sterling balances outside the sterling area can be continued much longer.

6. The upshot of all this is that the upper hand in British public life is being gained by those elements which are opposed to whole-hearted British participation in a cooperative effort to develop a large volume of world trade on a multilateral basis after the war. The earlier hopes that out of the Article VII discussions[284] might come a bold expansive approach to trade relationships among countries have been steadily receding. It is worth recalling that public opinion, by a sound instinct, greeted with enthusiasm those sections of the Atlantic Charter and the Mutual Aid Agreements between the United States and other countries (duplicated in our own exchange of notes with the United States[285]) which gave promise of such an approach. These sections referred to "the fullest collaboration between all nations in the economic field" and to "a programme of agreed action ... directed to the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption of goods." In reacting favourably to these promises, public opinion was no doubt influenced by a recollection of the disastrous consequences of lack of cooperation in the 1930's, by a belief that if cooperation was possible in war it should be in peace, by a realization that if the opportunity to work out a far-reaching programme of cooperative action was not taken before the war ended it would in all probability be too late.

7. These general considerations are just as valid as they have ever been, but each day that passes makes the attainment of the broad objectives originally contemplated less likely and strengthens the position of the bilateralist school in the U.K. The economic consequences of British discrimination against our exports on currency grounds would be extremely grave for Canada: the next section of this memorandum shows that our main hope of being able to overcome the difficulties of the transition period after the war lies in exporting on a large scale. The general political consequences of British bilateralism are even more painful to contemplate. One need only think of what the public reaction in this country will be if, after the billion dollar gift and the Mutual Aid assistance during the war, the British immediately turn around and put up discriminatory barriers against our exports, to imagine what the reaction will

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[284]Voir le volume 9, les documents 705 à 709.
See Volume 9, Documents 705 to 709.

[285]Voir Canada, *Recueil des traités*, 1942, N° 17.
See Canada, *Treaty Series*, 1942, No. 17.

be in the United States, where there is less understanding of the genuine difficulties of the British payments position. Again there will be accusations of bad faith, again the cry that Uncle Sam has been played for a sucker, inveigled into supplying the British with what they needed free of charge, during the war only to be pushed in the face and told that their services were no longer required the moment the war was over. The anti-British elements in American public life which will again favour American withdrawal from world affairs will have been presented with a perfect beating-drum on a silver platter—and they can be relied upon to make use of it. Nor should it be thought that the U.S. Government will sit idly by and watch the British discriminate against American exports and, through bilateral trade deals, force competitive British goods upon the countries from which the British buy. More than one can play at the bilateral game and the Americans will undoubtedly feel that it is they who hold the blue chips in the form of enormous productive capacity and impregnable international liquidity. Rather than see the British pre-empt foreign markets through bilateral trade arrangements they will seek to capture those markets themselves through tied credits on easy terms. In short, if this development takes place, we shall have passed directly from military warfare against the Axis Powers to economic warfare among the United Nations. Canada, dependent as we are on the U.K. market for our main staple exports and on the U.S. market for our main imports, will be ground between the upper and the nether millstones. The economic consequences will be impoverishment all round; the political consequences are incalculable.

8. If it is thought that too grim a picture has been drawn and that what has been said above is unduly pessimistic, it is worth recalling that during the past 15 years those who took pessimistic views regarding the trend of affairs were invariably called Cassandra—and, as the subsequent events proved, the degree of pessimism expressed was never adequate. This was true of views expressed regarding the effects of commercial policies during the Great Depression of the early thirties; it was true of views expressed regarding the international political situation after 1933. In the past we have never been prepared to take adequate steps, and to take them soon enough, to deal with threatening situations we saw developing. After the lapse of a year or two we would have been glad to adopt the measures originally required but these had become inadequate with the deterioration of the position. If this same old story of "too little and too late" is not to be repeated once more, we must be prepared to take bold and even courageous measures at the outset, in order to prevent the situation from getting out of hand. The "cost" of such measures will be small compared with a realistic appraisal of the cost of the evils they are designed to avert.

9. As things stand at present, the hope of getting off to a decent start in international trade arrangements after the war is foundering on the rock of British balance of payments difficulties: through nothing short of a frontal attack on this problem can hope be revived. In the discussions which have taken place regarding commercial policy and international monetary plans during the past two years, the facts of the British position have obliged the

officials of all participating countries to concede that during a transitional period of uncertain length after the end of the war the U.K. should retain the right to continue discriminatory trade and exchange policies. Restrictive and discriminatory measures labelled transitional will be as difficult to undo as similar measures labelled permanent: if adopted they will determine the whole course of international trade relationships for an indefinite period. The situation calls for vision of the type that inspired the original Lend-Lease conception and our own wartime financial arrangements with the U.K.

10. It has been shown in paragraph 3 above that the British international financial difficulties fall into two parts: (1) the prospective deficit in their international balance of payments on current account during the period after the war necessary for them to restore equilibrium, say 3 years, and (2) the question of the blocked sterling balances. It is the proposal of this paper, outlined in Section III, that Canada, in its own short-run material interest, should contribute to the solution of the first of these problems by offering the U.K. a credit large enough to keep our exports to the sterling area at reasonably high levels during the 3 years after the end of the Japanese war, on terms which take account of the real difficulties of the British international financial position. Acting alone, this is the most we could accomplish—to ensure ourselves against discrimination for a limited period of time. For a broader settlement of the British difficulties, linked to liberal commercial policy arrangements effective immediately after the end of the war, the United States occupies a key position. Such a settlement would involve corresponding action by the United States to deal with the postwar deficit of American dollars and some recasting of the war accounts which would relieve the British of a fair proportion of their overhanging liabilities in the form of sterling balances. The outline of such a settlement is given in Section III, paragraph 21. The next section of this paper is designed to show the immediate Canadian interest in taking the steps necessary to maintain our exports during the postwar period.

II. *The Importance of Maintaining Canadian Exports during the Transitional Period*

11. In planning for the maintenance of high employment in Canada in the years immediately after the war we must base our policies on the present structure of our non-war economy which is founded primarily on the production of primary products for export. The traditional dependence of our economy on external trade—a consequence of the highly specialized nature of our resources—is well known. In the past, when we have been able to dispose of our surpluses abroad at remunerative prices we have been prosperous and have been able to pay for the imports resulting from our prosperity; when world markets have been closed down on us we have had depression. Even during the war, our high level of activity has been mainly determined by production of goods for export rather than for our own use.

12. We must base our policies for the immediate postwar years on the existing primary industry structure for two reasons. In the first place we

haven't time to change it. A drastic curtailment in our main export industries would involve painful adjustments and shifts of population which could only be made without great dislocation if spread out over a long period of time. In the second place, we do not yet know whether we shall have to make these basic adjustments or not. This depends primarily on the level of international trade after the war. We must do everything we can to cooperate with other countries to see that this is high. If it turns out that the policies pursued by other countries are such that we cannot count on large exports as the main dynamic element in our situation, then we shall have to adjust ourselves to the position as best we can, involving as it does a lower standard of living and a very high degree of state intervention if anything like full employment is to be maintained. But it would be as foolish to make this defeatist assumption regarding our long-run export possibilities before every opportunity of persuading other countries to adopt liberal trade policies has been exhausted as it would be optimistically to assume that God will provide and that in one way or another, without special efforts on the part of the Government, something like 2,000,000 people now in the armed forces and war industries will be readily absorbed into the civilian sector of the economy without displacing more than the few hundred thousand women and old workers who will want to quit their jobs when the war is over. Even under the most favourable circumstances, it is too much to hope that the demobilization of the armed forces and the reconversion of our war industries to peacetime uses can take place without temporary unemployment. The only hope we have that this inevitable unemployment will not degenerate into a cumulative deflationary movement with the threat of complete collapse is that we can somehow or other keep the civilian sector of our economy prosperous. Thinking of the first few years after the end of the Japanese war, our main hope of keeping the civilian sector prosperous is to export on a large scale.

13. We cannot, of course, hope to maintain the wartime volume of exports (nearly $3,500 million in the past 12 months) after the war. About half of these consist of munitions of war and another quarter of abnormal wartime diversions which will gradually disappear. The value of our normal commercial exports is probably less now than it was in 1938, and in view of the rise in prices which has taken place in the interval, the volume must be considerably less. On the other hand if, when the Japanese phase of the war is over, we do no better than maintain our exports at their pre-war level, then we are bound to have considerable unemployment and a degree of economic disorganization which will enormously aggravate the problems of demobilization of the armed forces and reconversion of the war industries.

14. It is impossible to say what precise amount of exports we should aim at during the transition period after the Japanese war. Detailed studies which have been made suggest that exports in the neighbourhood of $2,000 million per year would be a reasonable target. At this level, exports would be not much more than half their value in the past 12 months; on the other hand, they would be double their pre-war value and, in view of the increase in prices, approximately 50 per cent higher than pre-war quantities.

15. An over-all export objective of $2,000 million per year involves exports to the U.K. of approximately one-third of this amount, or say $665 million. If the U.K. and the rest of the sterling area embark on the line of discriminating against Canadian exports on currency grounds, our chances of maintaining the Canadian economic structure without great disorganization are very slim. Our exports to the U.K. are of crucial importance to us not only on account of their over-all magnitude, but also because the U.K. takes so large a proportion of our total production of the particular commodities constituting the bulk of our exports to her that a sudden curtailment of her purchases would cause serious disturbance across the whole economic fabric.

16. For purposes of illustration the following figures are set out to show what our exports to the U.K. might be at the target figure of $665 million per year and how these compare with 1937 and 1943:

	1937	1943/44	Post-war objective
Wheat and flour	$91mm.	$190mm.	$125mm.
Meats	36	190	110
Other farm products inc. furs	61	50	145
Lumber	24	36	80
Other wood products and paper	21	40	35
Base metals	99	155	95
Fish	6	17	10
Others	46	49	65
	$384mm.	$727mm.	$665mm.

17. If the over-all export objective of $2,000 million is to be attained during the transitional period, the proposed credit to the U.K. will have to be supplemented by smaller but sizeable credits to other countries. It should be emphasized that what is being suggested here is not that the government should maintain through foreign credits the entire industrial structure created during the war, with the enormous financial commitments that would involve, but merely that the decision should be taken now to maintain in this way the basic primary economic structure—with financial commitments on a much smaller scale than the present war outlays. In the absence of such a programme, there is no doubt that as one primary industry after another got into difficulties, the government would be driven into *ad hoc* rescue measures which would involve it in financial outlays which might well equal those here proposed. The stimulative effects of such rescue measures would be largely lost for they would be taken at a time when confidence in the future was impaired through the distress of our main export industries. By contrast, the stimulative effects of assured export outlets would be considerable.

Prosperity and business confidence in Canada have always been associated with good export markets, and the maintenance of domestic employment and incomes in this traditional way is more likely to lead to private investment than will be the case if undue reliance is placed either on rescue measures or on public investment projects. Moreover, in contrast to certain other types of

reconstruction project, the promotion of exports does not give rise to any constitutional problems. Nor does a plan for promoting exports require much in the way of preliminary blueprinting—this in contrast to other currently discussed schemes which are bound to remain in the project stage until long after V-day. It may be reckoned a final advantage of export stimulation that, in contrast to other measures, it can be accomplished with a minimum of state interference and without seriously disturbing our present economic structure.

18. One final observation may be made on the financial costs of this programme. The policy of keeping a floor under agricultural prices will in any case involve outlays to accumulate surpluses if world markets are closed to us and prices fall. To the extent that as a result of the present proposals we dispose of these surpluses abroad instead of piling them up in Canada, there is no net additional financial burden involved.

19. There is no doubt that the U.K. could use all the goods enumerated in the postwar objective shown in paragraph 16. The difficulty is one of payment, not absorptive capacity. One can only guess at the amount of Canadian dollars the U.K. will earn through exports to Canada. On the basis of pre-war experience, it would probably not be far wide of the mark to assume that, after making allowance for the invisible items, the U.K. might have about $215 million per year to pay for Canadian exports. This would leave a balance of, say, $450 million per year to be financed in order to maintain exports to the U.K. at the desired level. So far as the rest of the sterling area is concerned, their share in an export objective of $2,000 million might be, say, $130 million per year (our 1937 exports were about $105 million) of which they might be able to cover some $90 million through their own Canadian dollar income. On this basis, the sterling area deficiency of Canadian dollars would run to some $490 million per year or, say, $1,500 million for the 3-year period with which we are concerned.

III. *The Proposal*

20. It is proposed that we offer to extend a credit of $1,200 million to the United Kingdom to be used to make purchases in Canada during the three years following the end of hostilities with Japan (the balance of the estimated sterling area deficit of $1,500 million to be covered by the sale of gold or U.S. funds to Canada). The credit should be made conditional upon their undertaking not to apply, nor to encourage other countries in the sterling area to apply, greater restrictions against imports from Canada, whether by way of currency or trade (including bulk purchasing) policies, than they apply against similar imports from the sterling area, i.e. not to discriminate against imports from Canada on currency grounds, while remaining free, however, to impose such general import restrictions against all countries as they may find necessary to balance their international accounts.

21. The United Kingdom should be free to sell Canadian dollars obtained on credit to other members of the sterling area for the purpose of making current account payments to Canada. It is our purpose to ensure that, like the United Kingdom, the other members of the sterling area do not impose greater

restrictions on imports from Canada than they impose on similar imports from other sterling area countries. If the U.K. intended to "freeze" the abnormal wartime sterling balances it would be relatively easy to accomplish this, for the situation would then be that only post-war accretions to the sterling reserves of sterling area countries (resulting from favourable balances with the U.K. or with each other) need be made convertible into Canadian dollars. The British have, however, intimated that they do not intend to block these accounts in this way, but rather to leave them (in theory at least) freely transferable within the sterling area. It follows from this that if the objective of non-discrimination on currency grounds is to be achieved the abnormal sterling balances must be reduced to a level where the British are able to undertake the obligation to convert them into foreign exchange for current account purposes (though not necessarily for capital transactions). At the present time the balances stand at $12,000 million and are not convertible into foreign exchange. Some of the countries holding the balances, in particular India and Egypt, are restive under this restriction. It has been suggested that if the creditor countries in a position to do so, e.g. the United States and Canada, were prepared to provide exports to the countries holding abnormal sterling balances up to a certain proportion, say, 25 per cent of those balances, arrangements might be made under which those countries would agree to write off a similar proportion of their balances. Using these proportions, the sterling balances would be reduced to $6,000 million, as compared with normal balances of $3-4,000 million—a not intolerable burden for the U.K. From the point of view of the United States and Canada the goods supplied to such countries as India and Egypt would, in effect, be a gift - but one which would bless the donor through the increased employment and domestic incomes as a result of the additional production of goods resulting therefrom. From the point of view of the countries holding the balances the assurance that a certain proportion would be convertible might well be considered adequate recompense for cancellation of a similar amount.

This proposal appears to have the elements of an arrangement which is really advantageous to all concerned, particularly when one bears in mind the general benefits of the liberal commercial policy arrangements with which it should be linked. Moreover, some recasting of the war accounts can be defended on grounds of equity in the distribution of war costs. The present situation is far removed from the principle enunciated by President Roosevelt—that no country should enrich itself at the expense of another as a result of the war.

22. Reverting now to the proposed credit of $1,200 million, the United Kingdom have made it clear that they will be very reluctant to borrow abroad on any considerable scale from the dollar countries after the war. They explain that they are determined to avoid assuming a fresh burden of debt beyond their capacity to pay and that rather than do this they will pull in their belts and go without. In fact, it may be that their reluctance is based on the feeling that the dollar countries are poor creditors since they cannot be relied on to maintain their economies fully employed (keeping their imports high) or to balance their international accounts at a high level. The British fears in this respect have an

adequate foundation in fact; and if their reluctance to borrow is to be overcome it will be necessary to meet their legitimate fears regarding difficulty of repayment.

23. It is suggested that the proposed credit should be repayable at the rate of $60 million per year beginning ten years after the end of the hostilities against Japan. If, however, repayment in any year were to have the effect of reducing the U.K. holdings of gold and convertible currencies below a certain minimum figure of necessary balances, repayment would be deferred until it could take place without having this effect. On the other hand, if the U.K. were bringing her international reserves below the agreed minimum figure through repayment of debts to others, we should receive our equitable share. And in any case if the sterling area had a favourable balance with Canada, this should be used to effect principal payments due under the loan without regard to the level of the British gold and U.S. dollar reserves.

24. These repayment provisions may look unduly generous, but the plain fact of the matter is that our bargaining position is not strong and we shall have to go a long way to meet the United Kingdom if we are to overcome their reluctance to go into our debt on a considerable scale. The repayment provisions do no more than recognize the facts of the situation—that international debts can only be repaid through real transfers of goods and services and that countries will not allow their international reserves to run down below certain minimum figures. If real transfers are made impossible by the policies of other countries, and if reserves are at dangerously low levels, there will be default regardless of the character of the repayment provisions. What this proposal does is remove the odium of default by calling it contractual deferment. This has great advantages from the point of view of the debtor, whose prestige is involved, but it also has advantages from the point of view of the creditor. For deferment involves no parliamentary appropriation for write-off and there is, moreover, more hope of ultimately collecting on a governmental obligation which is alive and in good standing than on one which has been allowed to go into default.

The risk that the U.K. might indefinitely postpone any repayments by spending freely abroad so that its reserves were always close to the agreed minimum is not a serious one. We might not in fact be injured by such a policy. But in any case, if we were determined to collect on our outstanding credit, it would be open to us to force repayment by increasing our imports of goods and services from the U.K. and/or restricting our exports, thus establishing a favourable balance of payments for the U.K. to apply against the loan. The legitimate U.K. preoccupation which we must be prepared to meet—and which it is important for us in our own interests to have established as a general principle—is that the creditor cannot throw the debtor into default if the debtor's balance with the creditor is adverse and its relationship with other countries do not leave it with resources sufficient to repay the creditor in gold or acceptable currencies.

25. The U.K. will undoubtedly hold strong views on the rates of interest they are willing to pay on fresh external indebtedness. Since it will be open to them

to obtain many of the things we wish to sell them from sterling area or semi-sterling area countries against sterling balances on which only the Treasury Bill rate is paid, and since the U.S. will undoubtedly be willing to make credit available for purchases there at low rates, it will be necessary for us to go a long way to meet these views. It is suggested that the interest rate should be 2 per cent on the portion of the credit made available in Canadian dollars and that some part of the credit be made available through our accumulating sterling on which we would earn only the U.K. Treasury Bill rate. This would reduce the over-all rate below 2 per cent.

IV. *Summary and Conclusions*

(a) A major salvage operation is needed, and needed quickly, if the present drift towards a complete breakdown in international trade relationships after the war is to be averted. Only intervention at the highest level, based upon considerations of the political as well as the economic consequences of present tendencies in the U.K. policies, holds out any prospect of success.

(b) The bilateralist, restrictionist school is now in the saddle in the U.K. So long as the U.K. is in a position to plead necessitous circumstances, they will remain in the saddle. The Gordian knot which must be cut is the British balance of payments difficulties.

(c) Canada should, as a minimum, make a large credit available to the U.K. on reasonable terms to maintain our exports to the sterling area during the three years after the end of the war and should seek, in conjunction with the United States, a broader and more general solution to the problem, involving a recasting of the war accounts combined with agreement on liberal and non-discriminatory commercial policies effective immediately after the conclusion of hostilities. The amounts involved are considerable, but in comparison with either the present scale of war expenditures or with the cost of the realistic alternatives, they are small.

(d) It is not certain that the U.S. would concert with us in such proposals or that the U.K. would accept them. But the stakes for which we are playing are too large for us to neglect any opportunities. U.K. policy is actuated by a variety of motives and it may be that if the objective difficulties in their international payments position are met they will cling to the sterling area-bilateralist line for other reasons. Only through constructive proposals to meet their real difficulties will we be able to smoke out the true U.K. position. It is in our interests to know where we stand as soon as possible, since their intentions have far-reaching implications on our domestic economic policies and on the trade relationships at which we should aim with other countries—particularly the United States.

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Mémorandum du ministère des Finances

Memorandum by Department of Finance

TOP SECRET Ottawa, January 20, 1945

NOTES ON MEETING OF MINISTERS AND OFFICIALS IN OFFICE OF MINISTER OF FINANCE JANUARY 18, 1945, TO DISCUSS IMMEDIATE POST-WAR COMMERCIAL POLICY OUTLOOK

A meeting was held between 5 and 7 p.m. on January 18, 1945, in the office of the Minister of Finance, to consider the outlook for trade and related financial questions in the transitional period immediately following the close of hostilities against Japan, and the relation of this prospect to Mutual Aid and the action which Canada should take at present.

Those present included the Hon. J. L. Ilsley, in the chair, Hon. C. D. Howe, Hon. J. A. MacKinnon, Hon. L. S. St. Laurent, Hon. A. G. L. McNaughton, Dr. W. C. Clark, Mr. N. A. Robertson, Dr. W. A. Mackintosh, Mr. G. F. Towers, Mr. O. Master, Mr. J. E. Coyne, Mr. R. B. Bryce.

At the Chairman's request, Dr. Clark opened the discussion by pointing out that the Government was faced at the moment with making important decisions regarding the program for the next fiscal year and the estimated expenditure for this, including expenditure on Mutual Aid. There were quite a number of problems to be considered in this matter, of course, and there have been quite a number of discussions on them. He understood that recently further consideration had been given to the suggestion of having a single appropriation to cover all requirements, including Mutual Aid and also Reconstruction. He himself believed that such a single appropriation was probably desirable now, in view of the great uncertainty that existed about the course of the war in the fiscal year 1945-46. In the face of this uncertainty, if separate appropriations were made, it would be necessary to include a margin of safety on each and the total required for the three purposes, i.e., War Appropriation proper, Mutual Aid, and Reconstruction, would have to be substantially larger than the amount of a single appropriation which would be sufficient to cover the combined requirements, particularly because the circumstances which would make a larger figure for direct war expenditures necessary would also, for example, make smaller expenditures for Mutual Aid necessary, and smaller expenditures for Reconstruction. However, said Dr. Clark, this matter was being considered separately, as were the general programs for next year, and it did not seem necessary to discuss them at this meeting.

There was another aspect, however, to the Mutual Aid and related programs for next year which he felt it was desirable to bring to the attention of the Ministers concerned, and that was the prospect for Canadian trade in the period immediately following the end of hostilities, and the general financial relations between Canada and the United Kingdom during that period. He said

that the developing prospects in this field appeared to be so serious, particularly the trend of Ministerial opinion in the U.K., that they justified the Canadian government doing what it could at the present time to improve matters. Moreover, he felt it difficult to recommend to the Government at this time a substantial measure of Mutual Aid without drawing to their attention the trade difficulties which Canada might face vis-à-vis the U.K. at the conclusion of hostilities.

Dr. Clark said that Mr. Towers had been giving some careful attention to this subject and had prepared a memorandum upon it in which he put forward a number of suggestions, and Dr. Clark thought it might be well if Mr. Towers would set forth the situation as he sees it. Mr. Towers then proceeded to outline what he considered the U.K. was likely to do after the end of hostilities against Japan and the termination at that time of Lend-Lease and Mutual Aid. Unless others make a different course of action possible, he felt the U.K. was going to establish a "cordon sanitaire" around the sterling area from an economic point of view, and would endeavour to develop and expand trade within that area and restrict it between that area and the rest of the world. These restrictions would be effected not only by the old-fashioned device of tariffs, but also by exchange control, import quotas and bulk purchasing policies. He said he thought it was the hope of the U.K. to bring others into this sterling bloc, particularly countries of Western Europe. Indeed ultimately the ambition might be to bring in most of the world outside of Canada and the U.S. (Later he indicated that a good deal of South America would probably not be included in any event, although Argentina likely would be.) The U.K. under these conditions would use economic pressure and bargaining in its trade. When it is charged that these anticipated policies are similar to the policies worked out for Germany by Dr. Schacht, the British reply that they are not intended to be so extreme. As far as trade with North America is concerned, they appear to contemplate agreed sales and purchases which would be linked in such a way as to ensure a market for British goods and the avoidance of competition. It would mean, of course, that the U.K. would have to discriminate against imports from Canada and the U.S. except insofar as special arrangements were made in individual cases as a result of bargaining.

All this, of course, would be contrary to the desires of Canada and the U.S. to achieve a greater freedom of international trade, a greater use of multilateral trade than existed before the war, and ultimately the convertibility of one currency into another. It was a most pessimistic outlook from the point of view of Canada and the U.S., as their trade would be bound to suffer, and their relations with the U.K. and the sterling area as a whole were apt to deteriorate not only on economic matters but upon the political plane as well.

Mr. Towers said the opinion that this course of developments was inevitable had been growing in the U.K. for some years and the policy involved had now many advocates. Dr. Mackintosh and the other officials who were in England several years ago and again last year had detected a noticeable growth in these opinions. Mr. Hudson, the British Minister of Agriculture, who was recently in Ottawa, supplied the clinching evidence as to the importance of this line of

thought in U.K. political circles. Hudson had gone so far as to say that Article VII of the Lend-Lease Agreement was just a scrap of paper. Mr. Hudson had indicated that the U.K. expected to use its bargaining power to the full, for example, in buying Canadian bacon, and felt it ought to be relatively unimportant to Canada whether she had to pay something more for British coal than for American coal, as long as she was able to sell her products in Britain. Mr. Towers said he understood that Mr. Hudson, after what he had heard in Ottawa, was being somewhat less dogmatic and provocative in what he said in Washington, but his attitude nevertheless and his very strong influence in the British Conservative Party made clear the very great dangers in the outlook for Canadian trade. Mr. Towers said that he had asked Lord Keynes when the latter was in Ottawa several months ago if this type of opinion had yet gained the upper hand in Britain, and Keynes agreed that it seemed to have done so and would win out unless some good alternative were put forward. Mr. Towers said that he noted with great regret the pleasure with which many of the British, even those who can see the arguments against this policy, resign themselves to the course which they say is forced upon them.

Mr. Towers said that the great factor in impressing the U.K. with the need for some change in its policy as compared with the pre-war policy was the alteration in the balance of its international indebtedness, changing from being a net creditor on international account to the extent of the equivalent of $14 billion in 1939 to being, after the war, a net debtor to the extent of perhaps $9 billion. This result of the war, however, was by no means the only factor inducing British opinion to favour the type of policy described. Agriculture clearly does not want to have to compete with cheap imported food. British industry is worried over its costs and its ability to compete with American industry. Labour would like some guarantee of protection against the pressure of competition from abroad, and some assurance both of continuity of employment and the maintenance of the wage levels as achieved during the war. There is a widespread tendency in Britain to regard Canada and the United States as stiff competitors and poor customers, and to feel that the only way to deal with us is in the general manner described.

Mr. Towers said that if this type of opinion does gain the upper hand in the U.K. and is put into effect, the outlook can only be described as terrible. Immediately after the war the U.K. would start out with severe discrimination against Canada and the U.S. This would then appear to be the first fruits of the policies of Lend-Lease and Mutual Aid followed through the war. One can only imagine the disillusionment with which the people of the U.S. and Canada would view that development. The U.S., of course, can harm Britain greatly in retaliation if she is angered by this development. Should it result in general bad feeling, the political and economic consequences must be left to vivid imagination. For Canada the results would be particularly bad because of the great importance of her trade with Britain and the sterling area. Faced with this prospect, it would be very difficult for Canada herself to avoid having to discriminate against the U.S. in trade matters, and that, in turn, would be a most dangerous development. In order to overcome, so far as possible, this

dangerous tendency, Mr. Towers thought that it was necessary to try to meet at least the reasons alleged by the U.K. to be those forcing her into this course of action.

The first of these alleged difficulties is the lack of dollar exchange and a reluctance to borrow, particularly to borrow beyond a limit that might force Britain into default. In order to meet this shortage of dollars without creating a risk of default, Mr. Towers suggested that we should consider offering to the U.K. a loan of $1 billion or $1¼ billions Canadian, which would be repayable at the rate of $50 million or $60 million a year, commencing after 10 years, with the proviso, however, that payment would be deferred during any year in which the British gold and U.S. dollar balances fell below an agreed minimum, unless the sterling area had a favourable balance of trade (or payments) with Canada. This loan would be expected to cover the period of transition immediately after the war while Britain was re-establishing her own export trade. If loans of this kind could be arranged with Canada and with the U.S., the U.K. could be assured of sufficient dollar exchange to meet her immediate requirements, and could also afford in future to follow an expansive trade policy without fear that in doing so she was endangering her financial position and exposing herself to the possibility of having to default on these loans. She would not need to default by reason of any shortage in her dollar position. If, on the other hand, we wished to obtain payment from the U.K., we could always do so, at least in theory, by increasing our imports and thereby providing the U.K. with the favourable balance of trade that would make the payment due and provide the currency with which to make it.

At this point there was a brief discussion, Mr. Howe noting that Keynes had said that he would not take a loan, Dr. Clark pointing out that Keynes' refusal had applied only to Stage 2, i.e., before the end of hostilities, and not to Stage 3, while Dr. Mackintosh noted that the British attitude was essentially that she would prefer to starve rather than be forced into default. Mr. Towers said that he had asked Keynes quite unofficially what the U.K. attitude toward such a loan was apt to be, and Keynes had indicated that it would probably be regarded as unacceptable because Canada and the U.S. would probably ask the U.K., as a quid pro quo, not to discriminate against imports from them.

Mr. Towers then went on to say that the U.K. would probably reject a loan of this kind linked to a condition of non-discrimination, because they would feel that they could not afford it when they had accumulated such huge debts to India, Egypt and the Crown Colonies in the form of abnormal sterling balances held by these areas. A policy of non-discrimination would mean that the U.K. would have to be prepared to sell dollars to India, who had plenty of sterling, in order to let India buy imports from the U.S. and Canada. In fact, the U.K. has been expecting that these huge sterling balances could only be used in the sterling area, and that they must discriminate against Canada and the U.S. as long as this mass of sterling is hanging over their heads. This situation had impelled Lord Keynes to wonder whether there was any way of dealing with these abnormal sterling balances in order that a more reasonable policy could be followed by the U.K.

Mr. Towers said that in the face of these difficulties, he wondered himself whether there could be a second type of measure, in addition to the loan he had suggested—a measure which would amount in effect to a recasting of the accounts for war expenditures in India and the Middle East. He wondered, for example, whether the U.S. could be persuaded to assume responsibility for, say, 25% of these abnormal accumulations of sterling balances, representing Britain's costs of the war in these parts of the sterling area. If so, it might be possible to make a deal with India, Egypt and the Colonies by which another 25%, say, of these balances would be written off. This would leave the U.K. with a liability for, say $6 billion instead of $12 billion, which is a much more manageable figure. With that degree of relief from its war indebtedness, the U.K. could reasonably run the risk of taking off the restrictions on trade between the sterling area and the dollar area. Mr. Towers went on to say that participation by the U.S. in an arrangement of this kind would only be possible, he thought, if some important political concessions by the U.K. were thrown in, something like a settlement with India on its political status, and other arrangements intended to meet some of the political problems remaining at the end of the war. He emphasized that if arrangements of this sort could substantially improve the economic and political outlook after the war, the expenditures involved on the part of the U.S., for example, would be small enough that the gain would far outweigh the cost. For example, the cost of taking over a quarter of these abnormal balances would only equal about two weeks' war expenditures by the U.S. As far as Canada was concerned, the importance of getting a satisfactory trade situation after the war was simply tremendous. If we are to have a sporting chance of maintaining full employment, we must have good export trade, at least in respect of our primary products. If we have poor exports, we shall certainly have great difficulty in securing full employment. We should, he thought, set an export goal of something like $2 billion, which is not extravagant in the light of our capacity and our goal of full employment. This would compare with export levels of $3½ billion now, and would be twice as much as the value of pre-war exports and perhaps a 50% increase in volume as compared with pre-war. As far as the financial cost to Canada is concerned, we are going to be faced with huge costs anyway if we do not develop proper export conditions. Costs of floor prices for farm products, for example, could represent a large part of the costs to which we would be put in joining in a proposition such as he had mentioned. The alternative is a very grim and forbidding one. It would mean that the end of hostilities would see only a shift from military warfare to economic warfare. Moreover, he pointed out, developments of this kind would also be bound to lead to more rapid socialization of the U.K. and Europe generally. It would be apt to leave the U.S. as the last great area of free enterprise, and this, in turn, was apt to exaggerate the political and economic differences created by the type of policies which had been described.

Mr. Towers went on to say that one might wonder whether he was being too pessimistic in describing this outlook, and he was inclined to think that way at times himself. Nevertheless in thinking back he realized that he had generally

felt in 1928 and in 1930 that the views to which his analyses of the economic situation led him were too pessimistic and that things could not prove as bad as that. In the same way in the thirties he had been inclined to feel that somehow or other the outlook for the international situation could not be as bad as an objective appraisal of it seemed to suggest. In fact, however, during the last fifteen to thirty years, no pessimistic appreciation of the situation in advance had gone within miles of being too pessimistic. Events had, in fact, worked out so badly that real pessimism had been justified. Had we realized how bad the outlook was, action might have been taken to avoid some at least of the series of disasters, economic and political, that had been suffered, but always it had been the same story—"too little and too late." Therefore, he thought we should be thoroughly realistic in analyzing the present outlook and should not feel that a pessimistic conclusion is somehow unwarranted. If we did not take resolute action now to avoid the type of danger which he had described, he thought that in 1949, for example, the U.S. might say they wished that they had spent the money in 1946 necessary to enable international trade and international relations to be put on a sensible and non-discriminatory basis.

Following Mr. Towers' lengthy exposition there was some discussion on the proposals and on what immediate action might be feasible if it were decided that Canada should endeavour to avoid the danger which Mr. Towers had described. Mr. Ilsley asked Mr. Towers if he felt that Canada should take the initiative in seeing whether the U.S. would be willing to assume some of these costs which the U.K. had borne. Mr. Towers noted that some ideas of this kind had been talked about in the U.S. by a few; for example, Mr. Aldrich[286] of New York had made some proposals, but these suggestions had received relatively little attention. He said the U.K. had had absolutely no discussions with the U.S. on matters of this kind. He said he thought some of the people of the State Department had been thinking about these problems but he did not know for sure. He did not think Canada should institute formal discussions at this stage, but he felt it might be useful to have an informal chat with some of the people in the U.S. State Department. Mr. Ilsley asked if it would be wise to talk to Dr. White, of the U.S. Treasury, at this time as well, but Mr. Towers thought it would not be desirable at this stage, and Dr. Clark said that he thought Dr. White was too busy on the Bretton Woods measures to give much time to this. General McNaugton wondered whether the implication of Mr. Towers' outline was that the only foreign trade we could expect was that which we made possible by providing goods as Mutual Aid. Mr. Towers thought that this would not be the case, that beyond a once and for all contribution to help the U.K. tidy up its situation, the rest we should be able to provide on credit rather than Mutual Aid or its equivalent.

Dr. Clark then raised the issue of whether or not Canada should make any proposals or comments to the U.K. regarding the first of Mr. Towers suggestions, i.e., a credit during Stage 3 coupled with a vigorous expression of our opinion on the trend of U.K. thinking on post-war policy regarding trade

[286]Président du Conseil, Banque national Chase.
Chairman of the Board, Chase National Bank.

and discrimination against Canada and the U.S. He felt that a proposal and comment of this kind might well smoke out true British opinions and might, indeed, serve the more constructive purpose of helping to influence the British policy toward multilateral trade. In the meantime, he thought it would be probably desirable to have informal talks with representatives of the U.S. State Department. He said he did not believe it was necessary to go on to consider Mr. Towers' second proposal regarding settlement of sterling balances as calling for immediate action. Mr. Robertson commented that all these proposals and questions were linked together. Mr. Bryce suggested that in addition it was probably necessary to bring in the question of the U.S. reducing its tariffs. Mr. Robertson said that would have to come up, and that there was more involved than just the avoidance of discrimination in trade. He thought the U.S. would wish to press for a multilateral convention on commercial policy, which would involve general tariff reductions. He thought the U.S. could hardly consider one without the other, and we have a substantial interest in seeing that both these aspects of commercial policy are dealt with.

Mr. St. Laurent asked some questions regarding the effects of a possible contribution to reduce the abnormal sterling balances, and Mr. Towers explained his suggestion a little further, particularly its implications in regard to trade. Mr. Robertson noted that this would probably make it possible for India and Egypt to spend some of their wartime accumulation of currency in Canada and the U.S. When Mr. St. Laurent asked what would likely happen to other areas of the world under the circumstances pictured by Mr. Towers, the latter stated that he thought there was bound to be a considerable fight for trade in South America, with Argentina inclined in the British direction. There would be a tug-of-war between the willingness of the U.S. to lend and the willingness of the U.K. to buy. Mr. St. Laurent noted that U.S. surpluses for export were relatively small in proportion to their total production, and therefore the U.S. was not so interested in developing good trading conditions as Canada was, and in regard to this Mr. Towers commented that as proportions, U.S. interest in trade was relatively less, but in absolute terms their exports were huge and the exports they hoped for were simply enormous. He said the people in Washington are now talking about exports of $10 or $15 billion a year—two or three times the figure for pre-war exports—and that they are speaking of having to finance $4 or $5 billion each year on credit, but that they were thinking only in terms of ordinary forms of lending and not worried about the ultimate problem of repayment. He said there was little doubt that the U.S. would be willing to lend enormous amounts of money. Mr. St. Laurent said that the alternatives to disposing of our goods abroad appeared to be to give, to lend, or to exchange for other goods. Of the three, he said the only really sensible course was to accept goods in exchange and use them. To this Mr. Towers replied that the only gift involved would be one initial transaction, that we would lend only to tide over the transition period and provide breathing space, and that buying foreign goods was the only long term solution. However, he noted that with a high national income we would buy a great deal but it would be largely from the U.S.

Mr. St. Laurent noted that there were many items in Canadian trade for which the U.K. is the only substantial market, and he felt that the importance of these must be recognized, particularly agricultural products. Mr. Master felt that one should not minimize the importance of Canadian exports of manufactured products, which had been quite substantial even before the war. Mr. Bryce suggested that much of Canada's pre-war manufactured exports to the sterling area appeared in danger because of developing sentiment for protection in other dominions. Mr. Robertson contended, on the other hand, that in regard to manufactured products, Canada had real opportunities because our ability to compete should be improved by our industrial development during the war, and if we have a reasonably large field made available to our foreign trade, we can hope to develop substantial exports of manufactured goods. There was a general expression of opinion that Canada's ability to compete in the production of manufactured goods had increased very greatly and would be relatively high after the war.

Mr. Ilsley brought the discussion back to the immediate problems by asking what bearing these considerations should have on policy for 1945-46. Mr. St. Laurent said that it suggests a fundamental difference in our whole attitude toward Mutual Aid. Under Mutual Aid the prime consideration has been strategic need and where implements and supplies for war are required, their provision has been considered the main point and whether a country could or could not pay has been considered secondary. Now these post-war considerations involve other issues. Mr. Robertson thought the emphasis might now have to be changed. Dr. Mackintosh thought it was desirable now to stress Mutual Aid as having two aspects: first, its primary purpose in making possible the most effective prosecution of the war through the provision of war supplies to those who need them most, regardless of ability to pay; and, secondly, its value in helping to effect the transition to post-war trade conditions, possibly being coupled with some commitments in regard to the policy that would be followed by countries receiving Mutual Aid during the period in which they are receiving it. He thought it would be desirable to make it clear publicly that Mutual Aid ends with the end of hostilities, and that credits would be the post-war solution to the type of problem to which Mutual Aid affords a wartime solution. Mr. St. Laurent wondered whether that was realistic, when in fact the U.K. can get along without Canada and the U.S. except for bilateral and balanced trade.

Mr. Robertson suggested that there was another hypothetical alternative to the system of bilateral trade which Mr. Towers had described, and that was a much closer relation between Canada and the U.S. He felt, however, that a solution along this track and, indeed, any solution that could be found if the U.K. persisted in the course which Mr. Towers had described, would take Canada outside the British preferential system and, indeed, outside the Commonwealth to all intents and purposes. He said he did not believe that Mr. Hudson and the other U.K. advocates of discrimination against Canada and the U.S. have realized the political strain which it would produce on the Commonwealth. He felt that those who are strong for the maintenance of the

British Commonwealth have to put their weight behind the competitive solution to trade problems. Dr. Mackintosh agreed with this point of view and said he believed that the principle of trading with the sterling area was probably congenial to the British Prime Minister, but that a split with Canada would be most unwelcome to him. He thought neither he nor his advisers saw the way in which the former policy might lead to the latter result. Mr. Robertson noted that any split or disagreement with the U.S. would undoubtedly be most repugnant to Mr. Churchill. There was some discussion at this point concerning the group in the U.K. supporting a restrictionist trade policy, and it was noted that a group of younger Conservatives, including Mr. Hudson, were the prime movers, along with some of the older Conservatives such as Beaverbrook and Amery, and also some of the Labour Ministers, including Bevin.

Mr. Ilsley asked whether the meeting felt that Canada should attach some conditions to the provision of Mutual Aid this year—conditions respecting the policies which the U.K. should follow. Dr. Clark said he felt that was desirable, and that he could not conscientiously recommend Mutual Aid on the scale required if he believed that the U.K. was going to follow the type of policies that had been discussed. Mr. Robertson, on the other hand, said he thought such conditions were much more appropriately attached to measures taken or offers made in regard to post-war matters and not in regard to Mutual Aid during wartime. Dr. Clark then said he felt that at least Canada should express its view of the trend of opinion in the U.K. and point out what we felt the consequences would be to Canada and generally. He said he thought it would also be desirable to assure the U.K. that Canada would be prepared to play its part in providing credits on terms which we felt the U.K. could accept. He would urge upon the U.K. the necessity for some act of faith on their part to work out a solution to their problems in such a way as to make possible international trade on a multilateral basis. He doubted if it were wise to make any suggestions along the lines of Mr. Towers' second proposal. Mr. Robertson thought the first step might be to discuss the matter informally with the U.S. State Department. He thought the U.K. could agree to proposals coming jointly from the U.S. and Canada which they could not agree to if they came only from Canada. Dr. Mackintosh said he felt Canada could not ask the U.K. to give commitments regarding their policy after the war as a condition to providing Mutual Aid during the war. He thought that a quid pro quo in relation to post-war policy could only be attached to measures or offers concerning post-war matters. Mr. St. Laurent wondered if it were possible to put forward any suggestions or views to the U.K. without some idea of the U.S. attitude. He felt that in speaking to the U.S. it would be desirable to point out that if Britain adopts bilateral trade with Canada, it is apt to force Canada into bilateral trade or limitations on trade with the U.S., therefore the U.S. has a double interest in the question. Mr. Towers and Dr. Clark were both in favour of informal discussion with the U.S., but warned that it was quite unlikely any decision or commitment in regard to U.S. policy could be obtained.

Mr. Howe suggested that Dr. Clark, Mr. Towers and Dr. Mackintosh might get together and work out the form of a message which might be transmitted to the U.K. regarding these matters. Dr. Clark suggested that such message might be transmitted at the time that we inform the U.K. of the decision of the Canadian Government regarding Mutual Aid, and could be used as an indication of the basis on which Canada is working. Mr. Robertson suggested that he should speak to the Prime Minister regarding the question of having informal discussions with someone in the U.S. State Department. He thought that Clayton[287] was the proper man to approach there.

As the meeting concluded, there was a brief discussion over the magnitude of Mutual Aid requirements for next year and of the total budget that would be necessary. Mr. Ilsley wondered whether the Mutual Aid forecasts were not now too high, as it appeared the end of the war in Europe might be deferred until well beyond the beginning of the fiscal year. It was noted that this uncertainty was an important advantage of lumping Mutual Aid with other war requirements in getting an appropriation. Dr. Clark suggested that there was going to be a real problem in getting a budget down to a level below that of last year, and he felt the public would probably expect and demand a reduction, particularly as U.S. expenditures are being set 17% below those for the current year. General McNaughton said there was a reason for this, as the U.S. War and Navy Departments had continuing appropriations on which they could draw. Mr. Ilsley and Mr. Howe thought there was apt to be little criticism about the size of the budget and the size of expenditures in toto until the war was over. Dr. Clark thought that the Government might hear more of this matter from the public than previously. Mr. Robertson thought that the Government would have a good answer to any critics who felt their expenditures were too high.

R. B. B[RYCE]

528. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, February 14, 1945

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MUTUAL AID; FINANCIAL RELATIONS WITH THE UNITED KINGDOM; COMMERCIAL POLICY

7. THE PRIME MINISTER, referring to earlier discussions of these questions, drew attention to increasing evidence of a tendency on the part of the United Kingdom to meet their grave financial problems by fostering the development of sterling area trade and restricting purchases from non-sterling countries.

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[287] Secrétaire d'État adjoint des États-Unis.
Assistant Secretary of State of United States.

Such developments were of urgent significance to Canada from both the economic and political points of view. This trend of events and the growth of rival sterling and dollar areas would inevitably result in serious restrictions upon foreign trade which might easily bring about a severe depression in this country. It would, as well, react strongly upon Canada's relations with the Commonwealth and also upon the relations between the United Kingdom and the United States.

Officials of the Departments principally concerned had been giving a great deal of serious thought to this problem with a view to advising what steps might be taken by Canada to avoid the development of such a serious turn of events.

8. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted and read three draft communications to the United Kingdom, dealing with the continuation of Mutual Aid and with the general question of external trade policy.

These communications were to the following effect:

(1) The Canadian government were prepared to recommend the provision of Mutual Aid on the scale which had been requested by the United Kingdom until the end of the Japanese war, continuing the placing of contracts and making of other necessary commitments as required pending Parliamentary approval. During this period, the connection between Mutual Aid and the development of postwar commercial policy must become more apparent, since it would play its part in the improvement of the low wartime standard of living in the United Kingdom and the rehabilitation of U.K. export industries. Mutual Aid had been designed to avoid placing any burden upon postwar commerce or any imposition of trade restrictions and, in these circumstances, the Canadian government had become concerned over the development of a policy of discrimination against the purchase of Canadian products, in favour of the products of the sterling area.

Any deliberate policy by which dollars would be used to purchase only essential goods which could not be obtained within the sterling area would result in extensive diversion of trade from Canada, would be out of keeping with the purposes of Mutual Aid and must have severe political and economic effects upon the future of the Commonwealth. It would, in fact, create a new system of protection.

Discrimination against purchases in Canada was inappropriate and unnecessary. If, in a policy of non-discrimination, the requirements to be financed by Mutual Aid appeared likely to be greater than the Mutual Aid funds available, the Canadian government would be prepared to consult with the U.K. government and other authorities of the sterling area in order to meet the situation. The Canadian government urged the U.K. government to follow a general policy of non-discrimination between imports from Canada and the sterling area.

(2) In the period of transition following the defeat of Japan, positive constructive measures must be taken to avoid a narrow restrictive commercial

policy. Hitherto, the special problems of the transition period had been recognized only in negative measures involving the postponement or suspension of the operation of certain long term agreed arrangements.

It would be impossible for the United Kingdom to re-establish her industry and trade position and her standard of living except through extensive imports. At the same time, Canada must maintain a high volume of exports during the same period and a large part of Canadian exports would be expected to go to the United Kingdom and the sterling area. It was realized that the U.K. government would be anxious to restrict its borrowing at this time to an amount within its capacity to pay. On the other hand, if the United Kingdom, in consequence, restricted its imports, it would hamper economic recovery both in the United Kingdom and elsewhere.

Loans of the conventional type would not be adequate to meet this situation and, accordingly, the Canadian government would be prepared to discuss ways and means of financing Canada's surplus of exports to the United Kingdom and the sterling area during the transition period. Dollars could be provided for expenditure in Canada by a long term credit, repayable by annual instalments some ten years after the end of the period. The terms of the credit would recognize that repayment would be dependent upon purchases from the United Kingdom and the sterling area; if sufficient foreign exchange for repayment were not available in any given year, for reasons beyond the control of the United Kingdom, payment would be postponed. An agreement of this sort would be designed to avoid any discrimination between the sterling area and the dollar areas as regards foreign trade.

Since it would be of the greatest importance if the United States were willing to enter into similar arrangements as well, Canada would be prepared to participate in either bilateral discussions with the United Kingdom or trilateral discussions including the United Kingdom and the United States.

(3) The third telegram to be addressed by the Prime Minister to Mr. Churchill emphasized the great importance and urgency attached to the views on trade policy set out in the other communications, and stressed the danger of the world breaking up into economic blocs, which must not only impede the achievement of a high level of world trade, but have very serious political consequences as well.

(Draft telegrams, External Affairs to Dominions Office, Feb. 13 and 14, 1945).†

9. THE MINISTER OF FINANCE pointed out that Mutual Aid requirements for the next fiscal year would probably amount to some $1300 million, of which $1150 to $1200 million would be required for the needs of the United Kingdom and the remainder of the sterling area.

10. THE WAR COMMITTEE, after further considerable discussion, approved for despatch the draft telegrams submitted, subject to minor amendment in the light of the discussion, and subject to the concurrence of the Minister of Justice.

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529. W.L.M.K./Vol. 391

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 45 Ottawa, February 23, 1945

SECRET 1. The Canadian Government has considered at length the substantial requirements in Canada of the United Kingdom during the fiscal year 1945-46 and the request of the United Kingdom Government to receive sufficient assistance in the form of Mutual Aid or its equivalent to enable these requirements to be obtained without the United Kingdom having to incur debt to Canada during that period. The Canadian government is prepared to recommend to the Canadian Parliament continuation for the time being of the provision for Mutual Aid on the scale which has been requested. Pending a Parliamentary appropriation for this purpose, which may be delayed if a general election precedes the next session of Parliament, the Canadian Government will continue to place contracts and make other commitments in order to maintain the flow of essential supplies from Canada during the early part of the next fiscal year, in the expectation that Parliament will approve the policy which it has been decided to recommend. Expenditures required for Mutual Aid or equivalent purposes which cannot be covered out of the existing appropriation before Parliament meets again will be provided during this period in the same manner as other expenditures for war purposes.

2. In communicating this decision, the Canadian Government feels it necessary to emphasize that Canadians have expected that Mutual Aid, together with similar arrangements extended by the United States, the United Kingdom and other nations, would make it possible to finance the transfer of war supplies between nations in such a manner as not "to burden post-war commerce or lead to the imposition of trade restrictions or otherwise prejudice a just and enduring peace," to use the words of the Mutual Aid Agreement between the United Kingdom and Canada.[288] It is in the belief that Mutual Aid is an essential contribution to these ends as well as to the winning of the war, and that through it and other forms of collaboration these purposes can be achieved, that the Canadian Government has reached the decision concerning the provision of Mutual Aid for the time being upon the scale proposed. Following the end of hostilities in Europe, the United Kingdom's shortage of Canadian dollars and need for Mutual Aid are expected to increase in size rather than diminish, and to a degree it will assume a somewhat different complexion. During this period Mutual Aid will contribute to the prosecution of the Japanese war on a scale which should make possible some improvement in the low wartime standard of living in the United Kingdom and a more rapid rehabilitation of United Kingdom export industries than would otherwise be possible. This draws renewed attention to the post-war implications of Mutual

[288] Voir Canada, *Recueil des traités*, 1944, N° 3.
See Canada, *Treaty Series*, 1944, No. 3.

Aid, and links the policy of Mutual Aid directly to the development of commercial policy.

3. In these circumstances the Canadian Government must express its concern over the implications of the policy being followed by the sterling area in discriminating against the purchase of Canadian products and in favour of purchases within the sterling area. The reason for this policy during the initial period of the war, when conservation of dollar exchange was so vital to the United Kingdom, was understood. During recent years while Lend-Lease and Mutual Aid were being developed, this policy has been overshadowed by the limitations imposed by scarcities of shipping and supplies. As these limitations recede, following the end of hostilities in Europe, the policy of restricting purchases from Canada more severely than purchases from the sterling area and of providing dollars to other countries in the sterling area only if they are required for essential goods which cannot be obtained from the sterling area, is certain to result in many instances in which trade will be diverted from Canada to sterling area countries. If continued, this policy will undoubtedly set the pattern for the commercial policy of the post-war world. It is the evident direction of this policy, rather than the results of it up to date, which is disquieting. It is scarcely necessary to say that neither wartime collaboration nor nearly fifty years of preferential treatment of U.K. exports has prepared the Canadian public for such a development. It would be completely at variance with the intentions of the Canadian Parliament when it took the steps within its powers to halt the growth of intergovernmental debts. No Canadian Government could view it, economically and politically, save with the gravest concern for the future of the Commonwealth.

4. The limitation of sterling area purchases from Canada to essential goods which cannot be obtained anywhere in the sterling area, creating a new system of protection, will particularly as new capital investment is possible, give rise to vested interests in this diverted trade, which will frustrate attempts to develop under a code of commercial policy that wider area of world trade which is of equal concern to the United Kingdom and to Canada.

5. During the period in which Mutual Aid is in effect, Canada will be meeting by this means substantially all of the estimated requirements from Canada of the United Kingdom and sterling area as a whole, over and above what can be paid for out of sterling area receipts from Canada. Under conditions of wartime shortages of shipping and supplies, even with such alleviation as will be possible in Stage II, it is not anticipated that any large increase in Canadian exports to the sterling area would result from the termination of the policy of discrimination against imports from Canada. Moreover, it seems reasonable to assume that the United Kingdom, already burdened with such substantial sterling obligations, would not wish to increase these obligations by importing from the sterling area supplies which could not be justified as imports from Canada. Therefore it does not appear necessary for the United Kingdom and other sterling area countries to discriminate against imports from Canada in order to restrict total sterling area requirements from Canada to amounts which can be financed with the assistance of Mutual Aid

on the scale which has been proposed. If in fact the change in policy led to a modest increase in total requirements beyond the amount which could be met from Mutual Aid together with current receipts from Canada, it does not seem unreasonable to expect the United Kingdom and the rest of the sterling area to finance such a relatively small excess from their own resources, in view of the magnitude of Mutual Aid being provided by Canada. If the excess threatened to grow to a size that would be unmanageable, the Canadian Government would be prepared to consult with the Government of the United Kingdom and other authorities in the sterling area regarding measures that might be taken to meet the situation. The United Kingdom Government may also be assured of the cooperation of the Canadian authorities in ensuring that the most effective use is made of Canadian funds available for meeting requirements of the United Kingdom and other parts of the sterling area.

6. Accordingly, the Canadian Government feels that a general policy of discrimination against purchasing in Canada, on the part of the United Kingdom and other countries in the sterling area, is unnecessary and inappropriate. Such a policy is inconsistent with the spirit of Mutual Aid and, if persisted in, will make it increasingly difficult for the Canadian Government to maintain the provision of Mutual Aid. Therefore the Canadian government urges the United Kingdom Government to follow a general policy during the period in which Mutual Aid is in effect of non-discrimination as between imports from Canada and from the sterling area. It is the view of the Canadian Government that this policy should apply in respect of imports purchased by individuals or authorities in other parts of the sterling area as well as in the United Kingdom. It is also felt that if the United Kindom Government or the appropriate authority in any other part of the sterling area should consider it might be in its own interest to discriminate against public or private purchasing in Canada for exchange reasons, the Government of Canada should be consulted before action is taken.

7. It is desired to take this opportunity to express appreciation of the way in which the United Kingdom has endeavoured to maintain its exports to Canada during the war period, despite all the difficulties that have arisen. The Canadian Government, on its side, has greatly reduced and in some cases completely removed tariffs on United Kingdom goods entering Canada, in order to facilitate these exports, and has in many cases paid subsidies to enable essential goods to be brought into Canada and sold at ceiling prices. Further means of facilitating increased imports from the United Kingdom, both immediately and after the war, are under study by Canadian Government Departments. Action along these lines, and even the retention of the lower tariffs already temporarily in effect, will be made difficult if Canadian exports are being excluded from the United Kingdom market.

8. While this message has been centred primarily upon policies to be followed before the end of hostilities, it has been intended to make evident the Canadian Government's concern over the apparent trend of developments bearing upon post-war commercial policy, particularly in the so-called transition period. A

second message dealing specifically with this question of commercial policy and related financial measures in the transition period is being sent forward today.

530. W.L.M.K./Vol. 391

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM Ottawa, February 23, 1945

SECRET. Reference my immediately preceding telegram.

1. The Canadian Government and people have taken a very keen interest in the series of international conferences which have been held over the past several years with reference to post-war economic, financial and commercial cooperation among the nations of the world. These discussions and the specific agreements which it is hoped will grow out of them are of vital concern to Canada, which depends so largely upon export industries to provide domestic employment and upon imports to maintain a high standard of living. In addition to our own particular interest, we are convinced that no nation in the post-war world will be able to achieve full employment, at any rate on any but a very low standard of living, unless international agreement can be reached on measures to achieve the freest possible flow of world trade, and the most efficient development and use of the world's resources.

2. In these discussions and in the text of such agreements as have so far been reached, the special problems of the transition period immediately after the end of hostilities are recognized, at least to the extent of postponing or suspending the operation of certain clauses until rehabilitation and reconstruction have been largely achieved. The Canadian Government feel that this negative attitude to the international problems of the transition period is insufficient, and that positive constructive measures must be taken in order that the countries most directly concerned may surmount the special difficulties of this period as quickly as possible. We believe it is of the utmost importance that such difficulties should not be permitted to result in a narrow, restrictive commercial policy which would, both in the immediate post-war years and for an indefinite period thereafter, frustrate the attempt to re-establish international trade under freer conditions and in larger volume than before the war. We realize that the basic reason for any such undesirable development would be financial necessity, and in the course of this communication we shall develop certain proposals designed to overcome the financial difficulty, at least as regards trade between Canada and the sterling area.

3. It is clear that to restore her industry and re-establish her position as a great trading nation, as well as to raise the standard of living of her people substantially above the level to which it has been reduced in wartime, will be impossible for the United Kingdom except with the assistance of a very high volume of imports during the immediate post-war years. Conversely, Canada would be faced with extraordinary problems of readjustment and reduced activity if she were not able to maintain a high volume of exports during this

period. A large portion of such exports would be expected to go to the United Kingdom and other parts of the sterling area. We realize, however, that the United Kingdom will not be able to pay for all of such imports during the period when her exports have not fully recovered from wartime restrictions and dislocations, except through the medium of international loans. Even for the bare minimum of the most essential requirements, the United Kingdom will have during this period an adverse balance of trade and a deficiency of current supplies of foreign exchange with which to pay exporters in other countries. Consideration of the amount of credit which will be required and of the nature and terms of repayment seems to us to stand in the forefront of the whole problem of the transition period.

4. The Canadian Government realize that the United Kingdom Government will be anxious to restrict its overseas borrowing after the war to an amount within its capacity to pay, but it would be most undesirable for all concerned if this were taken to mean that the United Kingdom had to confine itself strictly to an "austerity" level of imports at a time when it is quite possible that abundant surplus supplies of food, raw materials and manufactured goods will be available from North America and other exporting areas. Such an approach would unnecessarily hamper economic recovery in the United Kingdom and contribute to economic disorder throughout the world. Nor would it be desirable for the United Kingdom Government to seek merely to obtain loans of the conventional type with rigid repayment features under which, in adverse circumstances, technical default might occur for reasons entirely beyond the control of the United Kingdom. Loans of this character, presumably restricted to comparatively small amounts, would not meet the real needs of the transition period. On the other hand much larger loans, adequate to facilitate a more rapid and successful revival and expansion of peacetime trade and employment would be well within the ultimate capacity of the United Kingdom to repay, if the terms of repayment were sufficiently realistic and flexible, and recognized the dependence of such international debt payments upon conditions of expanding world trade and ample markets for United Kingdom exports. Loans of this character, indeed, would themselves aid in creating the very conditions upon which their ultimate liquidation depends, and by encouraging an expansive attitude to international trade both in the transition period and subsequently, would strengthen borrower and lender alike and assist in the attainment of high employment and in the development of liberal commercial policy throughout the world.

5. In pursuance of these objectives the Canadian Government would be prepared to discuss ways and means of financing Canada's prospective surplus of exports to the United Kingdom and the rest of the sterling area over its imports from that area during the transition period immediately following the termination of hostilities against Germany and Japan, in such manner as to encourage the largest possible flow of trade in both directions and remove any necessity for discrimination against the goods of either area in the markets of the other.

Under the plans we have in mind, Canadian dollars would be provided to the sterling area for expenditure in Canada over a period of several years, by a long-term credit which would be repayable by annual instalments commencing, say, 10 years after the termination of the transition period. The terms of the credit would recognize that such repayment in Canadian dollars, or in gold or United States dollars in lieu of Canadian dollars, depends upon the making of purchases of goods and services from the United Kingdom and the rest of the sterling area by Canada and other countries outside the sterling area. If in any year sufficient foreign exchange for debt repayment were not available to the United Kingdom from such sources and from its reserves of gold and dollars over and above its minimum requirements for working balances and reserve for emergencies, such inability to pay for reasons beyond the control of the United Kingdom would automatically cause the payment due in that year to be postponed, without the United Kingdom being considered in any way in default, until such time as payment could be effected in the manner contemplated.

6. The adoption of such terms of repayment of the proposed credit would, we feel, constitute a realistic approach to an otherwise difficult situation, and would base the financial arrangements on those conditions of world trade in general, and of trade between the sterling area and Canada in particular, upon which they necessarily and in fact depend. We believe that agreement on these matters could readily be reached so as to put our post-war commercial relations on a firm and satisfactory basis, and so as to remove any need for the United Kingdom or other parts of the sterling area to feel that they have to discriminate against imports from Canada in favour of imports from within the sterling area itself, or from any other part of the world. Similarly, Canada would expect to obtain imports from the United Kingdom and the sterling area on a non-discriminatory basis, and in increasing volume as supplies in such countries became available in the course of rehabilitation of their export industries.

7. We should like to commence discussions directly with you at an early date. In addition, however, we realize that it would be of the greatest importance to our own two countries and to the world as a whole if the United States were willing to enter into arrangements of a more or less similar character, and we should be glad to collaborate on this wider basis in the event of discussions to this end being held between the Governments of the United Kingdom and the United States.

531. W.L.M.K./Vol. 391

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM Ottawa, February 23, 1945

Following from the Prime Minister for your Prime Minister. Begins:

1. I should like you to know that I attach very great importance to the views on trade policy set forth in our telegrams No. 45 and No. 46 of this date.

2. The important initiative which was taken by your Government in proposing commercial policy discussions in 1943[289] has not yet produced results which we regard as encouraging. With the passage of time, the objectives have tended to become more limited and the target date for their implementation deferred. I feel that unless some way is found of giving these discussions a new and constructive turn, we shall move into types of trade agreements after the war which are based exclusively on short-run considerations of expediency or necessity and which store up economic trouble for the future.

3. The main danger I have in mind is the breaking up of the world into economic blocs which trade more or less freely among themselves but discriminate against outsiders. My colleagues and I have been greatly disturbed by what appears to us to be a hardening of influential opinion in the United Kingdom against British participation in a cooperative effort to remove obstacles to expanding world trade generally, and in favour of bilateral deals and a form of sterling area isolationism.

4. I know that the international financial position of the United Kingdom has been seriously impaired as a result of the war and that countries in the position of Canada and the United States would not be justified in complaining at discrimination if they were unwilling to aid in the solution of your temporary payments difficulties. If, however, these problems were dealt with through concerted action along bold and imaginative lines, the path would be cleared for real progress in the general field of commercial policy. On the other hand, I am certain that restrictive measures adopted immediately after the war would set the pattern for the foreseeable future.

5. Our own economic interest is, of course, vitally involved in a high level of world trade on a non-discriminatory basis. I am, however, equally concerned at the political consequences, particularly on relations between the United Kingdom on the one hand and Canada and the United States on the other, of developments along the lines indicated in paragraph 2. More precisely, I feel certain that if the United Kingdom and the rest of the sterling area went in for a policy of discrimination against imports from North America immediately after the war without this course being absolutely inescapable, the general reaction in North America would be one of bitter recrimination and disillusionment. The atmosphere would undoubtedly strengthen the hands of those who are opposed to whole-hearted participation in world affairs.

6. I have no doubt that political developments of this character are precisely those which you would most wish to avoid. My main object in cabling is to let you know that in my view we are drifting in this direction and that there is need of positive action at a high level and at an early date if the situation is not to deteriorate beyond repair. Ends.

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[289]Voir le volume 9, document 584.
See Volume 9, Document 584.

532. DEA/154s

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 627 London, February 28, 1945

SECRET AND PERSONAL. Following for Robertson from Hudd, Begins: With reference to Canada to Dominions Office telegrams No. 45 and No. 46 regarding Commercial Policy.

I thought you would be interested to know I have learned informally that these proposals have created an excellent impression at the official level and are warmly welcomed. They are regarded as realistic, constructive, imaginative and generous. I am not able to give you any indication of reactions at the Ministerial level or in other interested quarters. Ends.

533. DEA/154s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 45 London, March 4, 1945

TOP SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins:

1. I am very grateful to you for your telegrams Nos. 45, 46 and 47 whose helpful and constructive proposals are receiving the closest study.

2. Naturally with so many military and political questions requiring urgent decision I find it difficult to devote as much time as I should like to the problems of post-war commercial policy. Our officials have, however, been giving continuous study to these matters and we shall shortly be sending you some of the results. I shall do everything in my power to ensure that progress on these important matters is not unduly delayed. I can certainly assure you now that we, for our part, shall give the fullest weight to Canada's wishes and interests and will make every effort to come to an arrangement satisfactory to your country which has contributed so much to the common cause.

3. We are particularly grateful for your financial proposals which are most generous and a promising starting point for our future discussions. I cannot, of course, say anything definite without the fullest consultation with the Chancellor who is not in London at the moment. But I can assure you that I am most sensible of the generous and friendly spirit which inspires your suggestion.

4. Meanwhile I should like to say at once what a comfort it is to have your decision to see us through on Stage II. Canada has been a tower of strength to

us throughout, but this does not lessen my gratitude for this fresh example of the helpful spirit in which you face the common problem. Ends.

534. W.L.M.K./Vol. 392

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 56 London, March 21, 1945

IMPORTANT. SECRET. Your telegram No. 45. We are very glad to know that the Canadian Government has considered our request for assistance in the form of Mutual Aid or otherwise, sufficient to enable our requirements in Canada during the fiscal year 1945/1946 to be met without our having to incur debt to Canada during that period, and that the Canadian Government is prepared to recommend to Parliament continuation, for the time being, of provision for Mutual Aid on the scale requested.

2. We warmly welcome this decision of the Canadian Government, which will assure the continuation of the wartime principle of pooling of resources which has contributed so greatly to the common interests of the United nations.

3. It will be remembered that, during the discussions which Lord Keynes and Sir R. Sinclair had with Canadian Ministers last November, the general question was raised whether the existing system of Mutual Aid should be continued into 1945-1946, or whether some other system, e.g., one of financial pooling, should be substituted for it. We should be glad to know what are the present views of the Canadian Government on this question.

4. We also greatly welcome the Canadian Government's declaration of its willingness to make interim arrangements, in the event that the necessary Parliamentary approval is delayed, to ensure that the flow of essential supplies from Canada during the early part of the coming fiscal year is not interrupted. We assume that on the strength of this decision United Kingdom Supply Departments can be authorized to proceed with the placing of such orders in Canada as are currently necessary. If any departure were required from the general lines of the programmes discussed with the Canadian Government last autumn, the consequential changes would be introduced only after prior consultation between our Supply Departments and Department of Munitions and Supply.

5. Apart from the foregoing questions of general principle, there are certain particular questions outstanding which concern the current financial arrangements between the two countries, e.g., the arrangements regarding cancellation of contracts and those for financing Indian orders for rolling stock.[290] It would be very helpful to us if an early decision could be reached on these questions.

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[290]Voir les documents 523, 554, 568. La note suivante était dans l'original:

See documents 523, 554, 568. The following note was written on the original:

Speak with Robertson.

6. We suggest that all the questions referred to in this telegram, which may be described as falling within the sphere of current Mutual Aid administration, can best be discussed in Ottawa between the appropriate Canadian Ministers and Departments on the one hand and the United Kingdom High Commissioner and his staff on the other. We should, of course, be ready to send out representatives as necessary to assist in such discussions.

7. My immediately following telegram sets out our preliminary views in reply to the wider questions raised in your telegrams Nos. 45 and 46.

535. W.L.M.K./Vol. 392

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 57 London, March 21, 1945

IMPORTANT. SECRET. Your telegrams Nos. 45 and 46. We are grateful to the Canadian Government for their initiative in setting out so frankly the considerations which are causing them concern about the future trend of economic relations between Canada and the sterling area, and in putting forward proposals for meeting the problems with which we shall be confronted at the end of the war. As your telegrams recognize, these important issues must be viewed, not only against the hard facts of our own external position as it will emerge at the end of the war, but also in the light of our future economic relations with the United States of America. The whole problem has a political as well as an economic side. No easy solution can be looked for, and, in the unprecedented circumstances which confront us, we can only feel our way gradually as conditions permit in making plans for economic recovery, both for ourselves and for the rest of the world.

2. We are pressing forward with the consideration of those matters as rapidly as the state of the war permits, but we can only proceed by stages from the full application of the present measures of wartime control to the long term objective of freeing trade from the restrictions which such controls involve. These controls have been imposed as an unavoidable part of the concentration of all available resources on the war effort, and, so far as the trade between ourselves and Canada is concerned, it is, we think, true to say that they have always been operated in full consultation and agreement with the Canadian Government. Indeed, it has been our common aim during the currency of Mutual Aid to regulate the demands made upon Canada in such a way as to achieve the maximum economy in the use of the Canadian dollars which are thus made available to us. We share the Canadian Government's anxiety that these wartime controls should not outlive the necessities which gave rise to them and we look forward to co-operating with Canada in establishing conditions which would permit of their removal as soon as possible. In the process of change, we shall do all that lies in our power to make these controls tolerable and free from permanently harmful effects, both in day to day

administrative working and in the gradual evolution of the principles underlying them.

3. We gratefully welcome your suggestion for the opening of discussions between our two Governments as to the best method of such co-operation. The questions involved, vitally important as they are to our two countries, are, of course, part of much wider questions affecting the whole future of international economic relations, particularly with the United States, and until further progress has been made in this field we shall be in some difficulty in carrying discussions to a definitive stage. But early discussions between us would be valuable and these, we suggest, might best be started on an informal and exploratory basis. There would be great advantage if some of the Canadian officials chiefly concerned could visit London in the near future for this purpose. It has occurred to us that this might be combined with the forthcoming visit of Mr. Hume Wrong to London for the talks preparatory to the San Francisco Conference. We would warmly welcome such an arrangement and we should be glad to know whether this suggestion would commend itself to your Government.

4. If such a visit can be arranged, we should hope to take advantage of it, not only for an informal exchange of views as to the immediate problems between us, but to consider possible ways of removing by administrative action particular difficulties which may arise. No less than the Canadian Government we are anxious that future trade relations between our two countries shall not be prejudiced by the policies adopted to meet wartime exigencies and even though it may not yet be possible to take the fundamental decisions which will determine the pattern of post-war trade, mutual consultation should be very helpful in ensuring that those decisions are not compromised by what is currently taking place.

536. DEA/154s

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 972 London, April 6, 1945

Following for Robertson from Wrong, Begins: Please let me know whether a reply will soon be sent to Dominions Office telegram No. 57 of March 21st concerning our financial and commercial proposals. These matters have been mentioned to me by Leisching,[291] Machtig[292] and others and I shall talk to

[291] Deuxième secrétaire, Board of Trade de Grande-Bretagne.
Second Secretary, Board of Trade of Great Britain.

[292] Sous-secrétaire d'État permanent aux Affaires des Dominions de Grande-Bretagne.
Permanent Under-Secretary of State for Dominion Affairs of Great Britain.

Bridges[293] about them in two or three days. Several enquiries have been made about nature of our reply. It is unnecessary in it to dwell on suggestion that official talks might take place while I am in London since this was inserted merely as indication of some readiness on their part to go ahead. Ends.

537. DEA/154s

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 858 Ottawa, April 12, 1945

IMMEDIATE. SECRET AND PERSONAL. Following for Wrong from Robertson, Begins: Your telegram No. 1035.† I am suggesting to Prime Minister that Towers and Mackintosh go to London about end of first week in May but have not yet had this proposal approved. MacDonald and Munro have been pressing us very hard to have Clark or Towers go over for early discussions and we are now satisfied that such discussions are desirable and should be useful. Ends.

538. DEA/154s

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1046 London, April 13, 1945

SECRET AND PERSONAL. Following for Robertson from Wrong, Begins: Your telegram No. 858. After seeing Keynes and Eady,[294] I am satisfied that official talks in London in near future are desirable. They have secured Chancellor's approval for general recommendations on policy but consider it untimely to seek Cabinet approval just yet. Hence they find difficulty in discussing these matters in Intergovernmental correspondence but could make full disclosure in official talks. Keynes said more than once that he wished Clark could come to London. I told him this was unlikely.

2. They had hoped to renew talks in Washington in June but now consider September the most probable date. They are deeply concerned over consequences of President's death in this connection as they feel he alone could bring about an imaginative solution. Legislation now before Congress to give effect

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[293] Secrétaire du Cabinet de Grande-Bretagne.
Secretary to the Cabinet of Great Britain.

[294] Co-deuxième secrétaire à la Trésorerie de Grande-Bretagne.
Joint Second Secretary, Treasury of Great Britain.

to the last autumn's agreement on Stage 2.[295] Financing must, in their view, be adopted before Stage 3 discussions begin.

3. They were cordial about our general approach and commented that they were finding the special position of Canada most useful in combating the arguments of the bilateralists. Ends.

539. DEA/4929-U-40

Le sous-ministre des Finances au conseiller financier, haut commissariat de Grande-Bretagne

Deputy Minister of Finance to Financial Adviser, High Commission of Great Britain

Ottawa, April 27, 1945

Dear Mr. Munro,

You will recall that there have been numerous discussions over the past year regarding the means of accounting for and settling for supplies which the United Kingdom has received on Mutual Aid and which are diverted or transferred by the United Kingdom to other countries. The general policy in regard to these diversions or transfers has recently been considered by the Mutual Aid Board and they have asked me to inform you of their views. I believe Mr. Bryce has already indicated orally to you the general nature of the proposed arrangements. Decisions on this matter were delayed for a long period while the negotiations were proceeding about the financing of Military Relief supplies.

You will recall that one of the chief difficulties to be faced in applying any policy respecting the transfer or diversion of Mutual Aid supplies provided to the United Kingdom arose from the difficulty of determining whether individual shipments in question had been obtained by the United Kingdom as Mutual Aid or had been paid for by the United Kingdom in Canada. In framing the policy now approved by the Mutual Aid Board, we have endeavoured to take these difficulties of application into account, and I think it should prove workable both from your side and from ours.

It has been our understanding that the United Kingdom authorities concerned would notify us of all transfers to other countries of supplies which could be clearly identified as having been received from Canada as Mutual Aid, and would, wherever possible, seek the consent of the Canadian authorities before making such transfers. Our Mutual Aid agreement, of course, provides that Mutual Aid supplies will not be sold to any other Government or to persons in other countries without the consent of the Canadian Government. It has also been our understanding that the United Kingdom authorities would inform us of any sales outside the sterling area of supplies obtained by the Government of the United Kingdom from Canada,

[295] Voir le document 522.
See Document 522.

whether as Mutual Aid or otherwise. We would also wish to be informed now of any transfers by the Government of the United Kingdom to another Government or to persons outside the United Kingdom, of supplies which, by reason of their nature and the time of their procurement, might possibly have been supplied by Canada as Mutual Aid, although their actual origin and means of financing cannot be identified.

The first and most substantial point of principle approved by the Board is one with which I believe your authorities are already familiar and which has in fact been applied in certain instances. It is that the United Kingdom should notify the Canadian Government of all sales to countries outside the sterling area of supplies received from Canada by the United Kingdom, whether those supplies were received as Mutual Aid or purchased, and that the Bank of England should sell to the Bank of Canada foreign exchange convertible into gold equivalent in value to the Canadian cost of the goods so sold. If the United Kingdom receives only part payment in foreign exchange convertible into gold, then the amount of such foreign exchange sold to Canada shall be a proportionate part of the Canadian cost of the goods so transferred. It will be understood that the United Kingdom will utilize the Canadian dollars obtained from the sale of this foreign exchange to Canada to meet the cost of her essential requirements in Canada, thereby reducing the amount remaining to be financed on Mutual Aid.

The United Kingdom has recently, I understand, adopted the policy of making some sales of Canadian supplies to European countries, notably France, against payment in Canadian dollars, at least to the extent of the Canadian content of the supplies in question. Where Canadian dollars are obtained in this way from countries (such as France, Belgium and The Netherlands) which have made arrangements with Canada to make payment in Canadian dollars from official accounts for goods purchased in Canada, the Canadian Government will not expect any sale of foreign exchange to Canada in accordance with the principle outlined above, but would expect the United Kingdom to use the Canadian dollars obtained from such countries to meet her current requirements in Canada. I may say that we would prefer the United Kingdom to obtain foreign exchange convertible into gold from countries outside the sterling area when selling them supplies received by the United Kingdom Government from Canada, if the United Kingdom is able to make such arrangements. We assume that sales by the United Kingdom to France under the recently concluded Anglo-French monetary agreement will result in the United Kingdom receiving exchange convertible into gold to the extent of one-third of the value involved, and we therefore assume that this fraction will be applicable in respect of further sales to France of supplies obtained by the United Kingdom Government from Canada.

The second main principle which the Mutual Aid Board has approved—or possibly I should say group of principles—relates to supplies which can be identified as having been provided as Mutual Aid to the United Kingdom. Transfers of such supplies should be notified to Canada as promptly as

possible, and Canadian consent should be secured for them. It is proposed to make adjustments in respect of such transfers on the following basis:

(a) When such identified Mutual Aid supplies are transferred to another country receiving Mutual Aid from Canada and eligible to receive these particular supplies as Mutual Aid, the charge for the items will be changed from the United Kingdom to the other country concerned on the Canadian Mutual Aid Board records, and the country ultimately receiving the goods will be regarded as having received them from Canada on Mutual Aid. It is proposed to notify the recipient country of such a change in order that it may acknowledge receipt of the supplies as Mutual Aid and treat the transaction accordingly. In certain cases there may be supplies which had been intended for the United Kingdom as Mutual Aid but which have been diverted or transferred to another country which is receiving Mutual Aid from Canada but not receiving supplies of this particular type as Mutual Aid. This may arise because it is the policy of the Mutual Aid Board to restrict the provision of Mutual Aid in certain areas to items of direct military or naval use. In this case the Canadian Government will expect the country receiving the goods to pay Canada directly for the supplies so received.

(b) In cases where such identified Mutual Aid supplies are transferred by the United Kingdom free of charge to a country not receiving Mutual Aid from Canada, no settlement will be asked from the United Kingdom in respect of such items and no change will be made in the published records of the Mutual Aid Board as long as the Canadian Government is prepared to agree to the transfer. In this type of case, the United Kingdom will therefore be regarded as having received the supplies and used them in the prosecution of the war, in accordance with our Mutual Aid agreement. In this type of case particularly, however, the Canadian authorities would wish their consent to be obtained before such transfers are made. If the Mutual Aid Board is unable to consent to any such free transfers of Mutual Aid supplies in accordance with this paragraph and the transfers have already been effected, it will ask the United Kingdom to pay for such supplies in Canadian dollars. The Mutual Aid Board desires to reserve its position for the time being in respect of transfers of supplies by the United Kingdom to the United States under reverse Lend-Lease, and I shall be communicating with you later about this matter.

(c) When such identified Mutual Aid supplies are sold to another Government or to some authority or persons outside the United Kingdom, the U.K. Government will be asked to consent to have the cost of such supplies charged to the United Kingdom Cash Receipts Account and the charge to the Mutual Aid Appropriation will be reversed. This change in charge will not, of course, be a net cost to the United Kingdom Government in the event that other supplies are provided on Mutual Aid because the Canadian dollars of the United Kingdom are required for this purpose, but the transaction will serve to keep the records of actual Mutual Aid transfers correct. If the supplies have been sold outside the sterling area, the United Kingdom will in effect be paying the Mutual Aid Board for them in foreign exchange convertible into gold in the proportion that such foreign exchange is received by the United Kingdom

itself. In this connection I might say that the Board also wishes to reserve its position for the time being in regard to sales of supplies by the United Kingdom to the Union of South Africa, and I would hope to discuss this matter with you at a later date.

There remain those transfers of supplies which cannot be definitely identified as having been received by the United Kingdom as Mutual Aid but which may have been purchased by the United Kingdom in Canada or elsewhere, in view of their nature and the time of their procurement. The Mutual Aid Board are prepared to regard these transfers as being made from supplies obtained by the United Kingdom from sources other than Mutual Aid, where this may have been the case. The United Kingdom Government is asked, however, to inform the Canadian Government of transfers to other countries of goods of the same type as those which have been obtained on Mutual Aid and where the presumption outlined in this paragraph will be taken to apply. If the amount transferred is so large that it could not all be attributed to sources other than Mutual Aid, the excess will be treated as having been received as Mutual Aid and dealt with in accordance with the paragraphs above.

The foregoing paragraphs are not intended to apply to transfers for Military Relief purposes or transfers to UNRRA. It has been agreed that Military Relief transfers will be handled on a somewhat different basis. It is desired to give further consideration to any transfers of Canadian supplies which the United Kingdom may make to UNRRA, and it is felt that the officials of UNRRA should be consulted before any agreement is reached in respect of such transfers. So far as we know, there have been no important transfers of Canadian supplies to UNRRA by the United Kingdom.

The Mutual Aid Board would like it to be understood that the United Kingdom will not request as Mutual Aid supplies which it intends to transfer to other countries except by agreement in advance with the Board. Consequently, it is expected that the only transfers in the future that would fail to be dealt with along the lines outlined above will be those to which Canadian consent is obtained in advance, or those which are necessitated by developments after the United Kingdom has placed its requisitions with the Canadian procurement agencies.

I would be glad to arrange discussions with yourself or other United Kingdom representatives in regard to the application of the principles outlined above, particularly in special circumstances. I shall also be writing you again regarding those transfers or diversions of which you have already informed us.

Yours very truly,

W. C. CLARK

540. **DEA/154s**

Procès-verbal d'une réunion

Minutes of a Meeting

TOP SECRET

MINUTES OF CONVERSATIONS HELD IN KING'S COLLEGE, CAMBRIDGE, FROM SATURDAY, MAY 19TH TO MONDAY, MAY 21ST, BETWEEN THE CANADIAN FINANCIAL DELEGATION AND REPRESENTATIVES OF THE UNITED KINGDOM TREASURY[296]

1. *Secrecy*

Lord Keynes, opening the discussion, stressed that the proposals he would later put forward should be treated with the strictest secrecy. They had been fully considered by the Treasury and by the Chancellor of the Exchequer, but they were only now being circulated to the Cabinet and had not yet been placed before other Ministers or Departments. As would become apparent, they involved an approach to the United States, and the Treasury was anxious that there should be no leakage, so that they could retain the initiative in choosing the proper time and method of broaching their suggestions to the United States Government.

2. *Approach to the United States*

The Treasury believed that the matter should first be taken up at the highest political level, probably between Mr. Churchill and the President. One difficulty was that it seemed likely that after San Francisco and after Congress had finally dealt with the Bretton Woods Agreement,[297] there would be changes in the administration. Reports from Washington led him to believe that both Mr. Stettinius and Mr. Morgenthau might be replaced. But there was no clear indication as to who would replace them or as to where the real centre of power would be. He thought it would be unwise to begin financial negotiations until these changes had been made. On the other hand, there was a possibility that the Japanese war might end more rapidly than had been expected so that the approach could not be put off indefinitely. September might possibly be about the proper time. The Treasury would be grateful for any advice the Canadian Delegation felt like giving them about either the timing or method of approach.

3. *Alternative Policies for the United Kingdom*

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[296] Les membres de la délégation canadienne étaient Frederick Hudd, W. A. Mackintosh, Graham Towers et Hector McKinnon, président de la Commission des tarifs et membre, Commission en temps de guerre des prix et du commerce.
The members of the Canadian Delegation were Frederick Hudd, W. A. Mackintosh, Graham Towers and Hector McKinnon, Chairman, Tariff Board and member, Wartime Prices and Trade Board.

[297] Voir Canada, *Recueil des traités*, 1944, N° 37.
See Canada, *Treaty Series*, 1944, No. 37.

Lord Keynes said that there were three possible policies open to the United Kingdom, which he had dubbed Starvation Corner, Temptation and Justice.

(a) By Starvation Corner, he meant a policy which aimed at a maximum degree of self-sufficiency. Some extremists wanted this permanently as something good in itself, while others, more moderate, felt that the United Kingdom might easily be forced into a policy of this kind as a defensive measure, if it proved impossible to make satisfactory arrangements with the rest of the world, and particularly with the United States.

(b) Temptation was the policy of least resistance. At least at first, it might prove a very agreeable path since it would mean that the United Kingdom would live comparatively easily and could comply with the wishes of the United States. This policy would be based on borrowing on easy terms; and it seemed likely that the United States would be only too accommodating in this matter. However, the day of reckoning would come and when it did the upshot for the United Kingdom might easily be bankruptcy.

(c) The third course, which he called Justice, would demand more imagination and initiative. The United Kingdom would have to try, so far as possible, to liquidate the financial consequences of the war and to take her part in freeing trade throughout the world on conditions, however, that would allow her to exist and remain solvent.

4. *Treasury Policy*

The Treasury had made up its mind that it was in favour of the third course—of Justice. The Chancellor wanted to get over to a multi-lateral system as quickly as possible. Opinion in the Treasury had rather been shifting and now it was thought that so long a transitional period as that contemplated at Bretton Woods would be inadvisable. They now hoped that the period would not be longer than one year and they were pursuing policies aimed at making such a short transitional period possible. They wanted to reduce the length of twilight to a minimum. It should also be understood that the Treasury had turned its face against Starvation Corner and towards a multi-lateral system as a matter of principle and because they recognized the reality of the dangers that any other course of action would involve. It was not true to believe that the United Kingdom could be brought to support a multi-lateral system only by being bribed and cajoled. They knew that fundamentally it was in their own interests. Starvation would

(a) make impossible a policy of full employment, and

(b) destroy beyond repair the international position of the United Kingdom. (You cannot be an international banker if you keep too many strings on your customers' cheques, Lord Keynes admitted.) Although the Treasury had made up its mind as to the policy it wanted, there were, of course, other forces in the country which were capable at least of fighting delaying actions. However, they were not in authority in any of the political parties and Lord Keynes did not think that they could ultimately influence a decision. Most Ministers and all

Departments, he thought, were in agreement with the policy the Treasury had adopted.

5. *American Opinion*

A comparatively small number of people in Washington could be relied on as their friends, and an equally small number as their inveterate enemies. In between, lay 95% of those with influence who had no dogmatic convictions one way or the other, and who would be influenced by the way in which the proposals were put up to them. In their experience, however, their friends tended to be rather timid and if substantial opposition developed these candid but timid friends would urge them along a line of least resistance. It was, therefore, unwise to appear in the United States not to have any strong convictions. A firm policy skillfully presented by the United Kingdom, he thought, would overcome any opposition that might arise.

6. *Successes*

In a comprehensive survey of United Kingdom finance during the war, Lord Keynes first considered those areas of financial policy where he thought the United Kingdom had had notable success.

(a) By a mixture of cunning and kindness, they had kept their debt to countries outside the sterling area down to almost negligible proportions. The only indebtedness they had incurred to the United States was the Jesse Jones Loan which was, however, almost self-liquidating. There was also the Canadian dollar loan; but this was covered by securities. From Portugal also they had had a small loan which was to be repaid in five years in gold; they were hopeful, however, of making some favourable adjustments in this agreement. On current account, there were balances standing in the favour of Sweden, Switzerland and Persia.

(b) They had been able substantially to replenish the liquid dollar reserve. In 1938, this had stood at £1,000,000,000, but owing to the fear of war, by September 1939, it had been reduced to £600,000,000 and by the time America adopted Lend-Lease it had been dissipated entirely. It was recognized that such a situation was unfortunate not only for the United Kingdom, but also for the United States and gradually the position had been somewhat recovered. This had been done by two methods:

(1) by repatriating South African securities held by United Kingdom residents against South African gold.

(2) by the personal expenditures of American troops in the United Kingdom and other countries inside the sterling area. The United States had sometimes been disposed to chip Lend-Lease against these expenditures, but it was now fairly well realized in Washington that such a policy would mean essentially that United Kingdom taxpayers would be paying for the frolics of American soldiers in Piccadilly.

At the present time, their liquid dollar reserves stand at $425,000,000 net. At one time, the United States had put a ceiling, beyond which these balances were not to be allowed to climb, but it had never been rigidly enforced and it was formally removed in the Fall of 1944. A report was made each month on

these balances to the Treasury and now a request had come from Washington that they should also be communicated to Congress. It was highly difficult to make a report of this kind in such a way as to ensure that the relation of the dollar balance to other items in the financial position of the United Kingdom was apparent. The Treasury was now considering how this could best be done. They might not be able to continue their success in increasing their dollar reserve since many American soldiers would soon be returning to the United States. On the other hand, there was a possibility of obtaining $155,000,000 in gold from France.

(c) They had made a number of very useful financial agreements with European countries, particularly Belgium, Sweden, Luxembourg, and France.

(d) They had contrived to handle their dealings inside the sterling area in such a way that very little friction had resulted. The countries in the sterling area, by and large, were satisfied that they had been treated fairly; and this had been a very considerable achievement. It was realized, however, that it would be increasingly difficult to operate the sterling area with such success in the immediate future, since peacetime conditions would more and more make people impatient with controls generally.

(e) Lord Keynes thought that they could be well satisfied with their stabilization policy. There had been the following increases over September 1939:

Rate of wages	43%
Earnings	86%
Cost of living	35%
Prices	50%
Cost of imports	90%
Cost of exports	100%

In the United Kingdom, the average hourly wage in industry stood at 2/-, while in the United States it stood at 5/-. This difference was one of the most convincing arguments against devaluation. If United Kingdom manufacturers could not compete with American businesses with an hourly wage of 2/-, they would no more be able to if the hourly wage was 1/9.

7. *Failures*

Lord Keynes now turned to those areas of finance where the Treasury had not done so well.

(a) There had been vast cash expenditures by the Service Departments, particularly in the Middle East. Much of this expenditure had been made to half-disaffected Middle East countries at critical points in the war to ensure their support. For example, Ibn Saud[298] received £20,000,000 in gold sovereigns. Purchasing had often been done by Service Departments at very high prices. Although the exchange rate had remained constant in Syria, prices were now eight times as high as they were before the war, and generally throughout the whole Middle Eastern area prices were from three to four times as high as they were before the war. The Treasury was possibly a little to

[298] Roi de l'Arabie saoudite.
King of Saudi Arabia.

blame that the purchasing had not been done more advantageously and also that it had not been more ruthlessly cut back when the stringent necessity was over. However, much of the expenditure had been made under duress at a very critical time and it was only fair to consider it as part of the cost paid for the victory of El Alamein and the decisive turn in our fortunes that that produced. Sir Richard Hopkins[299] emphasized two points about these vast sterling balances.

(1) They had been incurred as the result of a strategic decision as to how the war should be fought, and

(2) They had built installations which would contribute to the prosecution of the Japanese war as well.

Although every effort was now being made to reduce expenditures in these areas, it must be recognized that they could not quickly be terminated. In the first place, many troops would have to remain for a considerable length of time on account of lack of transport to repatriate them. Secondly, bills would, in many cases, be as much as three months late in coming in.

(b) The second weak point had been at the stage of what Lord Keynes called pre-preparation for exports. There was no use trying to conceal that their export policy was not going well. The domestic market is hungry for goods and clamouring for them and no effective machinery has been set up for giving priorities for exports. Mr. Towers asked whether any machinery had been devised for channelling exports as between different countries. Would it be possible, for example, for India, where higher prices are ruling, to take all the United Kingdom exports and not leave any for the United States or Canada? Lord Keynes admitted that, under present arrangements, that would be possible. He thought that the target of a 50% increase in export trade over 1939 was, in fact, too low. That estimate had been made a considerable time ago and he did not believe it was sufficient to maintain equilibrium under present conditions. Another reason also led him to be pessimistic. If an analysis was made of possible United Kingdom exports, the result was discouraging. In the chief industries there seemed little possibility of making any increase. In fact, these industries, particularly coal and textiles, were some of the oldest in the country and were handicapped by out-of-date equipment and by dud directors. The grandsons or great-grandsons of the founders of the business were now in control, and they were showing singularly little imagination or intelligence. In fact, it could almost be stated as a general principle that in industries which the United Kingdom has never had before, they could lick the world, whereas in industries that have been developed over hundreds of years, they now were nowhere. Sir Wilfred Eady and Sir Richard Hopkins were rather concerned at the impression which Lord Keynes had given of the United Kingdom's export position and intervened to try to soften the rigour of his analysis. He was led to agree that the basic ingredients of equilibrium exist in

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[299] Secrétaire permanent à la Trésorerie.
Permanent Secretary to the Treasury.

the present situation, but he still insisted that he was pessimistic when he took into account the composition of United Kingdom exports.

(c) In the sphere of military relief, the Treasury had also accepted a very disadvantageous bargain. The United Kingdom was now paying 25% of the total cost, Canada 8% and the United States the balance. No other country was making any contributions whatsoever. He thought that the weight of this expenditure would likely fall in stage III rather than in stage II and, for that reason, it was even more important that the burden should be readjusted.

(d) The reconstruction of Burma and Malaya would impose a further strain on this country's economy. It would not fall on the Exchequer, but would be none the less serious for that. Companies with large reserves in this country would have to use up those reserves to re-establish their plantations and equipment in Burma and Malaya and this would impose a heavy strain on the balance of payments.

8. *Comparison with other countries in the Stering Area*

Lord Keynes made a comparison between the financial position of the United Kingdom, which had so materially worsened during the war, and the improved position enjoyed by many other countries inside the sterling area. He emphasized the fact, in particular, that the war was costing South Africa literally nothing at the moment and that, in addition, she would come out of it with her capital plant much improved. She had not made any contribution whatsoever by way of Mutual Aid and every penny that was spent for the United Kingdom Forces in South Africa was provided by the Treasury here. South African ports, for example, had been deepened and improved, so that they could take the largest sea-going vessels afloat, and this had been done without any cost to South Africans. At the present time, South Africa was making an annual overseas expenditure for her forces of £11,000,000; but, on the other hand, partly by building up her gold reserves and partly by increasing her external short-term balances, she was improving her foreign position at the rate of £50,000,000 a year. Australia was making an overseas expenditure of £28,000,000 a year, but even when this was taken into account, she still was £58,000,000 to the good. The position of the United Kingdom looked black indeed when stood beside those figures. Lord Keynes estimated that currently the United Kingdom has an adverse balance of £1,400,000,000 per year. This total was made up in the following way:

Disinvestment	£750,000,000
Lend-Lease, (non-munitions)	750,000,000
Mutual Aid, (non-munitions)	200,000,000
	£1,700,000,000

From this might be deducted possibly £200,000,000 of Lend-Lease for non-munitions which would stop if the war in the Far East came to an end, and approximately £100,000,000 of Mutual Aid for non-munitions which would also stop. Deducting these two items, you arrive at the figure of £1,400,000,000.

9. *Temptation*

Lord Keynes estimated that if the policy of temptation were followed, loans of from $5,000,000,000 to $8,000,000,000 would be necessary particularly from the United States to tide the United Kingdom over the transition. These loans might be spread over a period of from three to five years. He thought that the United States would be very willing to lend this amount of money and at terms which might appear very favourable. They would probably be prepared to set an interest rate of from 2% to 2½% and to allow very flexible terms of repayment. In return, they would expect the United Kingdom to adopt as quickly as possible a policy of convertibility and, at the very least, to make the current earnings of the sterling area immediately convertible. Such an arrangement might be made to appear very attractive. The United Kingdom, however, had good reasons for hesitating about accepting it. It would mean that what was now a sterling debt would be converted into a dollar debt; and this would be very difficult to discharge since the prospect of substantially increasing exports to the United States was slight. At the same time, the United States would become the chief supplier of goods to the sterling area and would, in large measure, supplant the United Kingdom. These trends might not at first appear dangerous, but they would lead sooner or later to bankruptcy. The settlement would rest on the most precarious foundations, and, as these became apparent, public opinion in the United Kingdom would revolt against it. When its meaning became clear, it would seem an outrageous crown and conclusion to all that had happened during the war.

10. *Justice*

The policy of justice might seem to be separated from the policy of Temptation by no very strict dividing line. For example, it was quite possible that in negotiations in Washington, the United Kingdom representatives might put forward what they considered to be a policy of Justice and that it would then be countered from the American side by the policy of Temptation. Gradually, by the introduction of modifications on both sides, the two positions might approach each other. However, in Lord Keynes' view, that would be an entirely wrong way to go about the matter. Sir Wilfred Eady intervened to say that the United Kingdom must not give Washington the impression that it had come to try to get the best terms it could, but that, after making that attempt, it was bound to accept whatever terms the United States might offer. They would never obtain a proper settlement in that fashion. The proper procedure was to present clear-cut suggestions and to add that if these suggestions, without essential modifications, were not acceptable to the United States, the United Kingdom would have to embark on a much more restrictive and self-supporting policy. Their proposals were as follows:

(a) *Sterling Balances*. They proposed that these should be divided into three separate segments.

(1) In part, they should be made freely convertible in the Bretton Woods sense. The amount to be freed in this way should be £750,000,000.

(2) Another part of the balance should be entirely cancelled as a contribution from countries with sterling balances towards winning the war. The amount to

be cancelled should be a similar figure, approximately £750,000,000, or rather more. The actual amount might be as high as £880,000,000.

(3) The remainder of the sterling balance should be funded at a low rate, perhaps 1%. Capital repayment would be spread over a long period and would take the form of special shipments of capital goods. This remainder would be a figure in the neighbourhood of £1,500,000,000.

In the view of the Treasury, the cancellation of sterling balances should not be a unilateral act on the part of the United Kingdom, but should come as the result of separate negotiations conducted with each of the countries concerned. However, the United Kingdom should make it clear that if any country did not agree to cancellation, it would not be entitled to any freely convertible balance at all. In other words, although in form the new arrangements would only be entered into with the consent of the creditor country, in fact each creditor would be confronted with a virtual ultimatum. The agreements proposed would not necessarily be in identical terms. In negotiating individual agreements, the following considerations would be taken into account:

(1) The price level ruling when purchases were made.

(2) The amount of pre-war sterling balances held by the country in question.

(3) The benefits it received both from Lend-Lease and from Mutual Aid.

(4) Special cases. (Hong Kong and Malaya, for example, might well receive more generous treatment on the grounds of the material damage and suffering they had endured).

In cases where the exchange rate was out of line with the price level, the country concerned might recoup itself for the cancellation of sterling balances by an alteration in the exchange rate. If agreements such as these were successfully negotiated, there would still be left approximately £2,250,000,000 of sterling balances of which one third would be freely convertible and two thirds funded and repayable over a long period of time. Lord Keynes explained that the total United Kingdom scheme was to be considered as indivisible and, in particular, that the contribution to a general settlement which would be asked from the United States and from Canada would be dependent on the response made by countries holding sterling balances.

(b) *United States*. The United Kingdom would propose to the United States:

(1) An outright gift of $3,000,000,000 to be considered as retrospective Lend-Lease to cover the period before the time when Lend-Lease came into operation. This sum might seem considerable, especially since it would be an outright gift, but it became much diminished in importance if it was set beside the vast expenditures which the United States had made, and is continuing to make, for the prosecution of the war. The figure was approximately equal to:

(a) The amount spent by the United Kingdom in the United States in hard cash before Lend-Lease came into effect.

(b) The amount of Lend-Lease there would have been if Lend-Lease had been in operation from the beginning of the war.

(c) The amount of sterling balances to be cancelled by countries within the sterling area.

(d) The amount of sterling balances to be made freely convertible.

(2) A loan of $5,000,000,000. The United Kingdom would have the option to take up any or all of this amount at any time within ten years. The loan would bear interest at the rate of 1% and after ten years a Sinking Fund would be formed at 1% which might later rise to 2%. Lord Keynes said that they hoped they would not have to use the option on this loan to any considerable amount. However, it would provide a firm basis for confidence.

(c) *South Africa.* It was proposed to ask South Africa for a contribution of £50,000,000 out of her accumulated gold reserve. During the years 1942-1944 inclusive, if South Africa had been providing Mutual Aid on a scale comparable with that provided by Canada, her expenditures under this head would have been approximtely £75,000,000. In the light of that fact, it was considered not unreasonable to ask her for this outright contribution.

(d) *Canada.* In the case of Canada, the Treasury intended to propose a settlement on the following lines:

(1) A final Mutual Aid appropriation to take care of the $600,000,000 of book debt which had arisen on account of the Air Schemes and the supply of Canadian tanks.

(2) An option on a loan of $500,000,000 (that is, one-tenth of the sum to be made available by the United States). The terms of this loan would be the same in all respects as those described above.

(3) The continuation of the present Canadian dollar loan, and its reduction as securities are sold. No reference was made to interest.

Lord Keynes explained that these proposals would still leave the United Kingdom with between £2,000,000,000 and £2,500,000,000 of overseas indebtedness, even after a free gift from the United States of £750,000,000 and an equal figure for cancellation of sterling balances. The burden to be shouldered by the United Kingdom would still be heavy and she would still be the only member of the Alliance who would end the war with substantial overseas obligations. On the other hand, he thought that these obligations, however onerous, were supportable. And more important, if this scheme were accepted, "the sweet breath of justice would be felt to be blowing" by the people of the United Kingdom.

11. *Canadian Comments*

When Lord Keynes asked for any comments which the Canadian delegation wished to make on these proposals, Dr. Mackintosh said that he was pleased to see that on the whole there was agreement between authoritative Canadian and United Kingdom opinon on final objectives. He had also been glad to note that, in the Treasury view, the transitional period should be as short as possible, since the Department of Finance in Ottawa had come to the same conclusion. Mr. Towers suggested that it might be easier to obtain the option on a loan of $8,000,000,000 from the United States with elastic terms of repayment, than to secure acceptance of the proposals Lord Keynes had described. Lord Keynes

said that such an arrangement would not be acceptable to the United Kingdom and Sir Wilfred Eady supported him even more forcibly. He said that the affairs of the United States and the United Kingdom touched at many points all over the world. He was afraid that under such an arrangement, the United Kingdom would always be at the mercy of the United States financially; it would continually be in the position of coming cap in hand to Washington for concessions or modifications. Financial bickerings of this kind and the irritation which they would occasion would gravely imperil political collaboration between the two countries, which was absolutely essential for the maintenance of peace. If a settlement were not reached which would give the United Kingdom an independent position, he thought that there would only be trouble ahead. Without an outright contribution, the United Kingdom could not expect to reach a solvent position. As an indication of the sort of difficulty that might arise, he recalled that some time ago the United States even went so far as to sugggest that it should have joint control with the United Kingdom over United Kingdom reserves. On the other hand, both he and Lord Keynes agreed with Mr. Towers that it would be wise to insert flexible terms for repayment of the $5,000,000,000 loan on which the United Kingdom would have an option. Reverting to the outright contribution of $3,000,000,000 both Dr. Mackintosh and Mr. Towers were in agreement that it would be wise to explore the possibility of linking the $3,000,000,000 contribution with the highest political and economic objectives and even with some minor territorial adjustments, which, though unimportant in themselves, might be highly gratifying to the United States. Dr. Mackintosh added that in the approach to officials the practical necessity of minimizing the transition period seemed to offer the best opening.

12. *Canada's Future Policy*

Mr. Towers emphasized that one of the dangers which would arise if the United Kingdom did not succeed in reaching a settlement which would allow her to participate in a multilateral system would be that Canada would be inevitably thrown more in the direction of the United States. At first blush, it might be thought that Canada would have very great difficulty in establishing trade relationships with the United States very much closer than those presently existing. Mr. Towers thought, however, that the difficulties could be exaggerated. If a multilateral system could not be arranged, American opinion might be receptive to proposals for closer relationships with Canada. Moreover, the circumstances might be such that strategic considerations would influence their attitude. Lord Keynes enquired what attitude Canada would take if proposals such as he had outlined were presented by the United Kingdom to the United States and rejected. In that case, would Canada be prepared to accumulate sterling balances in London? Mr. Towers said that if the United Kingdom proposals seemed reasonable to Canadian opinon—and in his personal view, they were—and were rejected by the United States, he thought it likely that Canada would be inclined to go a long way to make possible the continuance of trade on a large scale with the United Kingdom. He did not comment on the proposal that the credit arrangements should take the form of

accumulation of sterling balances. He added that, in the absence of United States participation, special arrangements between Canada and the United Kingdom could hardly be regarded as a long term solution of the problem. Ultimately, the inherent difficulties of such a situation would almost inevitably cause a closer connection between Canada and the United States. If the initial approach to the United States were unsuccessful, it was to be hoped that matters would be handled in such a way that the door would be left open to the reopening of the subject with the United States at a later date in an effort to come to an acceptable arrangement.

[PIÈCE JOINTE/ENCLOSURE]

POINTS RAISED BY THE TREASURY ABOUT MUTUAL AID TO BE INCORPORATED IN A MEMORANDUM FROM THEM FOR THE CANADIAN DELEGATES[300]

1. The amount of Mutual Aid to be required during Stage II.

2. Who should be responsible for cancelled contracts—Canada or the United Kingdom?

3. The possibility of continuing the Air Training Scheme on a reduced scale.

4. Enquiries from the United States about the amount due from Canada as Lend-Lease rebates.

5. The possibility of some long-term munitions contracts.

6. Arrangements to be made about food contracts after the period of Mutual Aid.

There was also discussion about (a) reparation and (b) the operation of the sterling area during Stage II. Both of these subjects will be treated separately. The first in a despatch to External Affairs[301] and the second in another memorandum.

541. DEA/154s

Mémorandum de la Trésorerie de Grande-Bretagne

Memorandum by Treasury of Great Britain

CANADIAN EXPORTS TO THE STERLING AREA

1. The deficit in the balance of payments on current account between the Sterling Area and Canada during the fiscal year 1945/46 is provisionally estimated at Can. $1250 million. This estimate assumes the continuance of the principles of import and exchange control currently applied. The Canadian Government have however requested a modification of these principles so as to remove the discrimination which they entail against essential imports from

[300] Aucun mémorandum ne fut trouvé.
No such memorandum was located.

[301] Non trouvé.
Not located.

Canada into the Sterling Area as compared with essential imports from one Sterling Area country to another.

2. In order to meet the wishes of the Government of Canada the U.K. Government are prepared, on the assumption of a Mutual Aid appropriation for 1945/46 sufficient to cover the deficit as estimated above, to modify their own import policy to the extent of adopting henceforward the principle that where Canada is a normal source of supply no distinction will be made on exchange grounds between Canada and the Sterling Area countries, subject to paragraph 5 below, as sources of supply for essential imports. That is to say, the existing criterion that the goods may be imported from Canada only if they are not available in the Sterling Area would no longer apply in such cases.

3. The U.K. Government would have to retain discretion to exclude imports of any category of goods, and to determine the quantity of imports of any particular category to be regarded as essential. Where a category of goods is excluded or limited quantitatively on the criterion of essentiality, the U.K. Government would retain freedom to admit, or accept increased imports of, such goods from particular sources; any such additional imports would be regarded as non-essential and the principle of non-discrimination would not apply in such cases. In particular, imports of non-essential goods from a European country whose economy had been disrupted by the war might have to be permitted as a measure of assistance in the reconstruction of its economy, or as the only means of collecting payment from such a country.

4. As regards the rest of the Sterling Area, the U.K. Government would be prepared to take the following action:

(a) *The Colonies*

Instructions would be given to Colonial Governments to apply the same principles in relation to imports from Canada as the U.K. would itself apply.

(b) *Australia, New Zealand, South Africa, Southern Rhodesia and India*

These Governments would be advised of the policy adopted by the U.K. Government, and invited to do likewise.

(c) *Neutral and Non-British countries, members of the Sterling Area*

The U.K. Government will not be asked to alter their present arrangements with these countries.

In the case of Egypt and Iraq, a defined sum is allocated in foreign currency out of the Sterling Area pool to cover all the expenditure of each country in the currencies of the U.S.A., Canada and certain other countries.

Where Sterling Area countries have large sterling balances, the United Kingdom Government feel that freest possible use of these balances in the Sterling Area must be allowed in order to give sterling a real value. It would be understood therefore that Sterling Area Governments would be free to admit from the U.K. additional quantities of goods of which a limited quantity only would be admitted as essential imports.

5. The U.K. Government recognize that the adoption of these principles would result in an increased import of Canadian goods into the Sterling Area over and above the amount budgeted for under the existing formula and that this amount would not be covered on the current estimate of Canadian dollar funds available to the Sterling Area (including the projected Mutual Aid appropriation). They would wish therefore to reserve the right to ask the Government of Canada to review the matter at any time during the course of the year, if it should appear that the resulting demands on their gold resources were more than in their judgment they could allocate to this purpose (say Can. $25 million).

[PIÈCE JOINTE/ENCLOSURE]

Projet de télégramme

Draft Telegram

SECRET

DRAFT CIRCULAR TELEGRAM TO THE COLONIES

Import Control. H.M.G. in the U.K. have been discussing with the Government of Canada the effect on exports from Canada to the Sterling Area of the existing policy of import and exchange control. The basic principle operating, as you are aware, has been that goods should not be imported from outside the Sterling Area unless

(a) they are essential

(b) they cannot be obtained within the Sterling Area.

The effect of this policy has been to impose a measure of discrimination against essential imports from Canada, as compared with essential imports from other British countries.

2. This policy has been dictated by the imperative necessity of conserving, during the war period, the foreign exchange resources of the Sterling Area to cover essential requirements. The need to conserve such resources will continue beyond the war period itself. But H.M.G. in the U.K. are anxious, in consultation with the Government of Canada, to ensure that the pattern of post-war trade is not dictated by the perpetuation of controls set up for purely war-time purposes, and they desire therefore to take such steps as they are able to minimize the discrimination between Canadian exports and those of the countries in the Sterling Area.

3. They have therefore indicated to the Government of Canada that they are prepared henceforward to adopt, in regard to their own import policy, the principle that, where Canada is a normal source of supply, no distinction will be made on exchange grounds between Canada and the Sterling Area countries as sources of supply for essential imports. That is to say, the existing criterion that essential goods may be imported from Canada only if they are not available in the Sterling Area would no longer apply in such cases.

4. This is to be regarded as an interim measure. The further development of trade between Canada and the Sterling Area must naturally depend on the settlement of wider questions. Moreover H.M.G. have reserved the right to reopen the matter with the Government of Canada, should the demands on their foreign exchange resources resulting from this change of policy prove too onerous.

5. Colonial Governments should henceforward apply the principle stated in para. 3 above in regard to essential imports into their territories from Canada.

6. Since this represents a substantial change of principle in the operation of Sterling Area controls, it is important that it should be fully understood by all those concerned with the administration of import controls and the programming of essential imports.

7. It is not proposed that any public announcement should be made at this date. But you should reply to enquiries from commercial interests affected in the terms of the principle as stated in para. 3 above.

8. You should note that the principle applies to essential repeat essential imports where Canada is a normal source of supply. It will remain within your discretion to determine, subject to consultation with me where necessary, what imports you regard as essential to the economy of the Colony, both as to category and as to amount. In the case of Canada you should accordingly continue to exclude all imports of any particular category which are judged inessential, and admit imports as essential only in limited quantities. Where no imports, or a limited quantity only, are admitted as essential, you have discretion to admit additional imports of the same category, subject to supply and shipping availabilities, from the U.K. without thereby being required to admit such additional imports from other sources on a non-discriminatory basis. H.M.G. in the U.K. have explained to the Government of Canada the necessity for this provision, in view of the importance for both the Colonies themselves and the U.K., of allowing the freest possible use of the substantial sterling balances which the former now hold.

9. Special cases may also arise where it may be desired to admit imports from particular sources which could not be justified on a strict basis of essentiality. For example, in order to maintain normal trade relations with contiguous territories. The admission of such imports would not necessarily conflict with H.M.G.'s understanding with the Canadian government, but before deciding on such cases you should refer to me.

You should also refer to me if any special cases of difficulty arise in relation to local Canadian interests, on the application of the principle stated above.

542. **DEA/154s**

Mémorandum

Memorandum

SECRET

Ottawa, July 13, 1945

"COMMERCIAL POLICY": LONDON, MAY, 1945[302]

(to accompany memos on Financial Proposals, Discrimination in Trading, Reparations, etc.)

1. Commercial Policy, as such, did not hold an important place on the agenda, being greatly overshadowed—both as regards emphasis and time—by the conversations regarding other aspects of proposed multilateral arrangements. Indeed, it came under discussion at only two of some thirteen or fourteen sessions and then chiefly from the standpoint of "The Timetable" (vide paragraphs 2 to 5 below) rather than its own unsolved problems.

At first, we were genuinely puzzled—and not a little disturbed—by what appeared to be an unreadiness or a reluctance on the part of the United Kingdom authorities to come to grips with the admittedly troublesome subject of Commercial Policy, not least because of the importance which, in arranging for the delegation, they had attached to this aspect of the general proposals. It became apparent, however, at our first meeting with Board of Trade officials that any hesitation on their part to proceed to discussion of Commercial Policy might be due in some degree at least to the fact that their Department was not to be represented at the week-end conversations at Cambridge. These, they explained to us, had been organized by the Treasury; they had not been asked to attend; and, save for taking us over Hawkins'[303] proposals regarding a "Timetable," they had nothing in particular to bring up for discussion. We sensed obvious embarrassment and some disappointment on their part but in the circumstances we could do nothing but proceed with the program that had been prepared by Lord Keynes and his Treasury colleagues.

Returned from Cambridge, we were asked by the Board of Trade to devote a number of meetings to considering somewhat related matters which certain of their group (notably Helmore,[304] Stirling,[305] Lisle[306] and Wiseman[307]) desired to take advantage of our presence in England to discuss: problems arising out

[302] Hector McKinnon était l'auteur de ce télégramme.
Hector McKinnon was the author of this telegram.

[303] Conseiller économique, l'ambassade des États-Unis en Grande-Bretagne.
Economic Counsellor, Embassy of United States in Great-Britain.

[304] Membre, Board of Trade de Grande-Bretagne.
Member, Board of Trade of Great Britain.

[305] Secrétaire adjoint, Board of Trade de Grande-Bretagne.
Assistant Secretary, Board of Trade of Great Britain.

[306] Poste non identifié.
Position not identified.

[307] Conseiller économique, haut commissaire de Grande-Bretagne.
Economic Adviser, High Commission of Great Britain.

of the Canadian "price-ceiling," subsidy policy, means by which Canada might encourage imports from the United Kingdom, etc. etc. We agreed, and in the week of May 21st attended several meetings in Helmore's office, at the last of which Messrs. Geddes and Spence of the Wartime Prices and Trade Board were present and led the discussions.

2. Reference has been made above to "The Timetable," into the secrets of which we had been admitted by Liesching at the first (May 18th) of the two meetings on Commercial Policy. It was, he explained, a program of timing which had been submitted to the Board of Trade for their comments by Harry Hawkins, of the United States Embassy, and which the latter had submitted to Washington for approval. It was not, therefore, to be taken as official, Liesching continued; but, since Hawkins had seemed fairly confident of its approval in Washington, he (Liesching) was anxious that we be familiar with it and that we make such comments thereon as might appear desirable. (A copy of this first draft of a proposed Timetable is attached hereto, as supplied to us by the Board of Trade on May 31/45.)

Frankly stating that discussion of a timetable before agreement had been reached upon principles of policy was in our opinion very much Hamlet without The Prince, we did, nevertheless, at this first meeting on May 18th discuss the Hawkins program, devoting ourselves chiefly to eliciting from Liesching background information respecting the various steps in the proposed sequence. We had doubts as to the wisdom or advisability about certain of these, as had the British, but extended reference to the conversations of that date is perhaps unnecessary in view of the fact that at our second and final meeting on Commercial Policy (joint Treasury, Board of Trade and Dominions Office on May 31st) Liesching announced that the United Kingdom had suggested to Hawkins certain possible modifications in the timetable, respecting which he wished us to be informed—more particularly since, following our arrival in London, Hawkins had received from Washington approval of his original proposals. He added that Hawkins had been made aware of the British suggestions regarding changes in the program and had already intimated that he, personally, felt they were deserving of very serious and possibly favourable consideration.

British misgivings regarding the first proposed timetable related particularly to: the suggested "effort to ascertain the trend of thinking" in certain countries (numbered Para 2. of the draft); discussion of principles with "congressional leaders" (Para. 3 of the draft); publication of the proposals at the time of their submission to "all governments" (Para. 5 of the draft); the method of securing, sifting and collating the views of many governments (Para. 6 of the draft) and finally the proposal for a formal "trade conference" of all participating countries early in 1946 (Para. 6). The British feared further that Hawkins' plan might work inevitably toward presentation to the conference of what would be, in fact if not in name, a draft convention, and that failure at the conference level to agree upon its provisions might entail the "failure" of the conference. This, in their opinion, was unthinkable and the suggested

amendments they had put to Hawkins had been aimed at averting possible break-down at the final high political level.

3. The changes which had been proposed by the British to Hawkins were outlined to us orally by Liesching. The most important was that the United States, instead of "ascertaining", (presumably by diplomatic exchanges) the "trend of opinion" in certain countries, (as suggested in Para. 2 of the original Hawkins proposals) might convene what he called a "preparatory meeting" of all participating countries. Such a meeting—which should not be held until broad general principles as well as certain vital points of detail had been *agreed upon in advance* by the governments of the United Kingdom, the United States, the British Dominions, and preferably France and Russia—might be possible, he thought, by January of 1946. It should be on the Ministerial level and frankly should be planned as a curtain-raiser to a full and formal conference, to be held some three or four months thereafter. He and Eady laid great emphasis upon the importance of this so-called preparatory meeting, as compared with an exchange of views through diplomatic channels, and both appeared to believe that the proposal had considerable appeal for Hawkins. The preparatory meeting, they said, should not be faced with something too much "fait accompli"; they were urging Hawkins, therefore, not to attempt to have ready for such meeting a draft convention but rather, a comprehensive, reasonably precise but not too-refined "statement of principles" (which must however include such vital points of detail as the value of 'x', 'y' etc. in various formulae regarding tariffs, preferences, foodstuff agreements, etc.). Their thinking was that, as the preparatory meeting approved principles, these would be referred to a committee or committees of experts (struck at the meeting) which would in the light of the general instructions of the meeting "hammer out" a draft convention for presentation in due course to the proposed formal trade conference.

This basic emendation of the original proposals, if approved by Washington, would necessitate consequential changes in certain of the intermediate dates named in the Hawkins draft, the nature of which need not be referred to here since the entire timetable (either the original or any amendment thereof) must necessarily be, for the present at least, highly elastic. Both Eady and Liesching felt that the Hawkins timetable was unwarrantably optimistic as regards the timing of its sequence of events; and while the changes they were suggesting might to some extent telescope the earlier phases, they had little hope that the preparatory meeting, much less the conference, could be held until fairly well on in the New Year. Although proposing changes in the timing, they still were obviously concerned as to a possible premature "leak" in Washington once the subject had been broached, even in secrecy, to congressional leaders. In this connection they expressed the view that up to the present the matter had been "admirably handled" by the United States authorities who naturally were anxious not to have publicity regarding multilateral conversations while the matter of the extension of the Trade Agreements Act was still before Congress.

4. The United Kingdom officials were anxious to have our opinion as to whether the full-fledged proposals, when ready for publication, should be put

forward unilaterally by the United States or jointly by the United States and the United Kingdom (and possibly others). Having put the question, they immediately stated that in their opinion the former was the more desirable, in that proposals which appeared to originate in and emanate from the United States would have wider public appeal and greater public acceptance in that country than would a cut-and-dried scheme of joint parentage. With this view we expressed general agreement.

5. As to whether or not another Commonwealth round-table would precede all or most of the steps set down in the timetable, the British officials were uncertain. They saw possible advantages in such a meeting but felt that the holding of an "Empire conference" might entail very great delay. There would seem to be little doubt however that, if and when they reach agreement with the United States regarding even a tentative timetable, the United Kingdom authorities will in one way or another again sound out the views of the various Commonwealth governments regarding the basic proposals respecting Commercial Policy.

6. On the substance of the Commercial Policy discussions, as distinct from time-table and procedural matters, we had two meetings. At these, we sought to ascertain what, if any, new proposals had come up and how far the United Kingdom and the United States had been able to agree on the principles of a commercial convention. As already mentioned, there was evidence that the United Kingdom expected that, if suitable financial arrangements could be made, it would not be too difficult to reach agreement with the United States on a commercial policy agreement. On the other hand, they were quite unwilling to give any indication of the points at which they might be willing to compromise. Apparently, this attitude arose in part from the United Kingdom political situation and in part from a desire to keep all points fluid and under their own control for bargaining purposes.

Some of the points on which we obtained elucidation are as follows:

(a) The United Kingdom are thinking of the International Trade Organization as a very powerful and active body covering the field of trade, commodities and cartels and less definitely employment. They are thinking of the convention under which it would operate as a much less detailed and definitive document than came from Bretton Woods. Two of the functions of the I.T.O. would be to develop methods for implementing the principles of the document and pass on the adequacy of the compliance with it.

(b) On tariff reduction, discussion is still centred on a 50 per cent cut to a "floor" of 10% *ad valorem* or its equivalent. The United Kingdom definitely will argue for freedom to change any duties not higher than 10 per cent, but it may be taken for granted that the United States is opposed. The United Kingdom probably will not press for a tariff "ceiling", as at one time it seemed certain to do.

(c) On preferences, the general approach from both sides is the one suggested by us, viz., horizontal reduction of preferential margins by cutting m.f.n. rates. To this, the United States would add that residual preferences should be

reduced to a specified percentage of 1939 margins and that no preference be permitted where preferential trade was less than 5% of the total. The United Kingdom wish to retain the right to a minimum preferential margin of 5 p.c. *ad valorem*. On these points, there is no agreement.

(d) As we had already been advised by cables,[†] the United Kingdom advanced a special provision for agriculture. In effect, this would relieve foodstuffs from the outlawing of quotas but place limitations on *all* protective devices affecting foodstuffs. These limitations would be that if the price to domestic consumers should over a period exceed the world price by more than 'x' per cent or if the domestic production over a period should exceed the production in an agreed base period (pre-war) by more than 'y' per cent, the country concerned would have to reduce the protection or financial assistance. Exceptions to 'x' and 'y' could be made by the I.T.O. in the interest of nutrition or a better balanced agriculture.

While it was admitted that the proposal was evolved to effect a political compromise in the United Kingdom, it was vigorously supported by Robbins,[308] Meade[309] and others as offering the best safeguard against excessive agricultural protection. They insisted that they should contend for low values of 'x' and 'y' both from the point of view of their own Treasury and from that of their overseas markets which would be affected by the revival of European protectionism. We pointed out that we would wish to scrutinize the proposal very carefully and that as far as cereals were concerned the second limitation would mean very little even though 'y' were zero.

(e) The United Kingdom officials confirmed that the United States had proposed that for the first 5 years of the Convention a country could, by quotas, protect itself against a "flood" of imports without approval of the I.T.O. After 5 years, any such action would require the approval of the I.T.O. The United States argued that such a provision would avoid political difficulties and that similar clauses had in the past been used sparingly. We expressed more concern over action which might be taken in other countries (than U.S.A.) as well as over the pressure to which our own government would be subjected.

(f) The United Kingdom is still prepared to press strongly for special provision for infant industries, and the officials reported the United States to be relatively unsympathetic. We agreed on the necessity of such a provision and suggested that it probably should involve (i) "registration" of an infant in advance with the I.T.O.; (ii) a maximum limitation on the tariff provision; and (iii) a reduction to a minimum within a specified period.

(g) On other trade matters, no new ground seemed to have been broken.

(h) The proposed convention would include something like the Australian proposal on employment policy and sections on commodity agreements and

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[308]Directeur, section économique, bureau du Cabinet de guerre de Grande-Bretagne.
Director, Economic Section, Offices of the War Cabinet of Great Britain.

[309]Adjoint économique, section économique, bureau du Cabinet de guerre de Grande-Bretagne.
Economic Assistant, Economic Section, Offices of the War Cabinet of Great Britain.

cartels. In respect of commodity agreements, the buffer stock proposal has slipped into the background. The United Kingdom proposal on cartels is merely that each country undertake to investigate and report at the request of a section of the I.T.O. which would receive complaints.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum

Memorandum

STRICTLY CONFIDENTIAL

The main procedural steps for preparing for the Trade and Employment Conference, as developed in the Department of State and in the U.S. Embassy in London are as follows:

1. About July 1 the Executive Committee on Economic Foreign Policy in Washington would begin a series of meetings to develop the position the United States might take on full employment policy, commercial policy, cartels, commodity policy and the International Trade Organization.

2. Meanwhile between now and July 1 an effort should be made to ascertain the trend of thinking on these subjects in other countries, particularly the United Kingdom, the British Dominions, Russia and France, so that the probable attitude of other countries may be taken into account in formulating the U.S. position.

3. The U.S. position as thus developed should be approved at the highest levels in the United States as a basis for discussion with other countries. Our proposals should be discussed with congressional leaders.

4. The proposals should then be put before the British Government at the highest level. The purpose at this stage would be to insure that, before putting our ideas before the world, our proposals would not at the outset meet with British opposition of any serious sort. The British should not, however, at this stage be asked for any tight commitments as we will not be ready to make final commitments ourselves. What we seek is a presumption in favour of the proposals rather than a commitment regarding them. Since the aim is to get proposals before the world as soon as possible in order to put some restraint on a drift toward nationalistic policies, it is important that the next stage below (publication) be reached as soon as possible. For this reason, other countries probably should not be approached in this way at this time except perhaps in those cases in which we know that there has been enough thought given to these questions to insure a prompt reaction.

5. The U.S. proposals should then be sent to all governments with a statement that they represent our present thinking; that they do not represent unchangeable position and that their comments would be welcome. Our proposals should be made public at the time they are submitted to other governments. We might be able to take these steps by August 1. If we could do so, we might ask other countries to give us their comments by October 1.

6. The final stage would be consideration of the views presented under the above procedure and the revision of the U.S. position to the extent that it seemed necessary or desirable. The United States should then seek definite commitment on that position from the United Kingdom, the British Dominions, Russia and France; and when this has been done, the conference could be called. This stage obviously may involve intensive and possibly protracted negotiations. Three months might be a minimum for this purpose. The conference could not, therefore, be convened before early in 1946.

543. DEA/154s

Le ministère des Finances au conseiller financier, le haut commissariat de Grande-Bretagne

Department of Finance to Financial Adviser, High Commission of Great Britain

SECRET Ottawa, June 25, 1945

Dear Mr. Munro,

On my return from our discussions in the United Kingdom, I wrote to Lord Keynes explaining that, in view of the election and Dr. Clark's illness, there would necessarily be some delay in reporting to Mr. Ilsley.

We have now given a full oral report of our discussions, and directed the Minister's attention particularly to the action which it was proposed that the United Kingdom Government should take in response to our proposal of February 23, 1945 that a general policy of non-discrimination as between imports from Canada and from the sterling area should be followed during the war period in which Mutual Aid is in effect.

Mr. Ilsley tells me that he has discussed this matter with his colleagues, and that I may inform you that the United Kingdom proposals are satisfactory. I am, however, to ask you to call attention to two points. Our Government may wish at some future time to raise the question of the position of Eire under the proposed action, should circumstances develop which would give it importance. Further, since Newfoundland is in the Canadian dollar area, we would assume that Newfoundland exports also would be covered by the proposed action.

The Minister understands that these arrangements will be re-examined at the conclusion of hostilities against Japan as, of course, there has been no suggestion that Mutual Aid would continue beyond that time.

The Minister has asked me to say that he was greatly interested in the report of our discussions, and gratified by the course they had taken. He also asked me to assure you that he and his colleagues appreciate very much the genuine effort which the United Kingdom has made to meet our position on the matter of trade discrimination.

Yours very truly,

W. A. MACKINTOSH

544. DEA/154s

Le conseiller financier, le haut commissariat de Grande-Bretagne, au ministère des Finances

Financial Adviser, High Commission of Great Britain, to Department of Finance

SECRET Ottawa, July 10, 1945

Dear Dr. Mackintosh,

Thank you very much for your letter of the 25th June about the proposals for a policy of non-discrimination in regard to imports from Canada and from the sterling area. I forwarded it to the authorities in London and have now received a reply to the effect that they are very glad to learn of its terms.

So far as the two specific points you raised are concerned I have been asked to give you the following information:-

(a) The United Kingdom authorities would be perfectly ready to discuss with the Government of Canada the position of Eire under these arrangements at any time should you so desire. In this connection, however, you may be interested in the following figures for imports and exports between Eire and the United States and Canada in the last two years:

	Imports from U.S.A.	Exports to U.S.A.
1943	£3,550,614	£265,990
1944	£2,955,387	£288,493
	Import from Canada	Exports to Canada
1943	£2,544,563	£ 1,949
1944	£5,017,132	£ 2,120

I think it emerges from the above statistics that we are at present making a suitable dollar allocation to Eire.

(b) It is agreed that Newfoundland exports should be treated similarly to Canadian under these arrangements.

It is also agreed that these arrangements should in any case be re-examined at the conclusion of hostilities with Japan. This would not, of course, affect the right of the United Kingdom authorities to reopen the matter at an earlier date under paragraph 5 of the Statement of Principles.[310]

The United Kingdom authorities intend to take the necessary action both in the United Kingdom and to advise other sterling area controls forthwith on the lines proposed.

I am asked to convey the thanks and appreciation of the United Kingdom authorities for the message from Mr. Ilsley contained in the concluding paragraph of your letter. They for their part were also greatly pleased to find from the discussions with the Canadian representatives how much there is in

[310]Voir le document 541.
See Document 541.

common between the United Kingdom and Canadian approach to this problem.

Yours sincerely,
R. GORDON MUNRO

545. DEA/4929-U-40

Le conseiller financier, le haut commissariat de Grande-Bretagne, au ministère des Finances

Financial Adviser, High Commission of Great Britain, to Department of Finance

915/373 Ottawa, July 27, 1945

Dear Dr. Mackintosh,

I took the opportunity on my visit to London to discuss with the Treasury and other Departments concerned Dr. Clark's letter of 27th April, about Canadian supplies diverted or re-transferred by the United Kingdom to other countries. The general lines of your approach appeared acceptable to those concerned, but as you will expect, there were a certain number of points of detail and procedure which appear to require clarifying or working out.

The first principle mentioned is that the United Kingdom should notify the Canadian Government of all sales of supplies received from Canada to countries outside the sterling area, and that the Bank of England should sell to the Bank of Canada dollars or the equivalent of dollars thereby realized. In so far as such transactions take place through the direct or indirect agency of United Kingdom Government Departments, this seems practical to us; and I take it that this is what Dr. Clark's letter is concerned with. To attempt applying this principle to commercial transactions, however, would be impracticable. Under our interpretation, what we would suggest is that we get from the Departments concerned a statement of their sales (direct or indirect) outside the sterling area, and that at periodic intervals we make some rough calculations as to what amounts are likely to have been realized in terms of gold and dollars. In this way we should simplify the whole issue by working out on a statistical basis the order of magnitude of the sums involved, for which the Bank of England would sell to the Bank of Canada dollars or gold in lump sums at appropriate intervals. We shall be glad to hear your views on this proposal, so that we can then get the return of information from our Departments on to a satisfactory basis.

The second principle relates to supplies provided on Mutual Aid. Up to now our experience has been that it is seldom if ever possible in practice to distinguish at the time of delivery goods coming under Mutual Aid proper from those procured by the Mutual Aid Board but paid for out of U.K. Cash Receipts Account. As long as this is so, we suggest passing to you information about retransfers without attempting to distinguish which of the two sources was involved, and it would then be for the Mutual Aid Board to make such adjustments as it saw fit. Moreover, having dealt in the last paragraph with the

foreign exchange aspect, it is hard to see what ultimate advantage is to be gained by trying to make this distinction; it would certainly mean additional work for all concerned. If this arrangement is to work, we shall have to proceed on the assumption that all goods passed on by us have in the first instance to be paid for to us by the recipient. Once the Mutual Aid Board has the information about the goods thus passed on, it would have to decide in which cases it wished the budgetary benefit to be passed on direct to the new recipient. When it has decided this point we in our turn would make the appropriate financial adjustment either by refund of monies paid to us by the ultimate recipient, or by an appropriate abatement of any outstanding claim. The essential feature here is that the decision as to whether a benefit should be based on the ultimate recipient or whether the transaction should be treated as in effect a re-sale by us of goods purchased out of the U.K. Cash Receipts Account should be given quickly.

The procedure outlined above will make it necessary for us to receive schedules of the adjustments to the U.K. Cash Receipts Account carried out by the Mutual Aid Board as a result of the information we furnish about retransfers. The reason for this is that we shall use the audited statements of the U.K. Cash Receipts Account as the basis of our sterling claims against Empire territories for direct shipments from Canada to them of stores charged to that Account. As stores passed on by us will have already been claimed in sterling they must be identified in the breakdown of the U.K. Cash Receipts Account in cases where the Board decides to transfer the charge to that Account on the basis of our retransfer reports, so that no further sterling claim is raised here when the audited account is received.

I think the above states the main points which emerged from our discussions in London. If you agree to the approach I have suggested I think the next step would be to discuss in more detail on the lines you mention in the last paragraph of your letter.

Yours sincerely,

R. GORDON MUNRO

546. DEA/198s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 187 Ottawa, August 15, 1945

IMPORTANT 1. The arrangements and agreements between the United Kingdom and Canada respecting Mutual Aid have always contemplated that such aid would be provided only until the end of hostilities. Our legislation on Mutual Aid and the general understanding of it by Parliament are based upon the expectation that it will terminate as soon as military victory has been achieved. Under these arrangements, the transfer of supplies to all countries under Mutual Aid agreements will be terminated today.

2. It is assumed that the United Kingdom will wish to continue to receive deliveries of foodstuffs and other civilian supplies without interruption and we are proposing to continue procurement and shipment of these supplies unless advised to the contrary. We are doing this on the assumption that financial arrangements for payment will shortly be worked out, and the Department of Finance is ready to discuss this matter immediately with your representatives in Ottawa.

3. The appropriate officials of the Department of Munitions and Supply are communicating direct with the Ministry of Supply or other United Kingdom procurement agencies, listing both the contracts which in their view should be cancelled forthwith and also those on which we would like information as to whether you wish deliveries to continue for your account.

4. Article VIII of the Mutual Aid Agreement between the U.K. and Canada comes into effect upon the cessation of hostilities, and it will be necessary to discuss a number of problems arising from its application. For this purpose we would ask you to take all feasible steps to obtain the necessary information for a consideration of the application of this article, including specifically the application of the provision under which supplies in ocean transit revert to Canadian ownership.

5. We realize that the practical application of the measures outlined above will require further consultation, and we are anxious to do our part in working out mutually satisfactory arrangements as soon as possible.

547. DEA/198s

Le premier ministre de Grande-Bretagne au Premier ministre

Prime Minister of Great Britain to Prime Minister

TOP SECRET London, August 18, 1945

You will, I am sure, realize that the unexpectedly early end of the Japanese war raises many difficult problems for us. We require a little time to make the necessary adjustments. We were therefore concerned and embarrassed at receiving your telegram 187 telling us of the sudden termination of Mutual Aid immediately upon the end of the Japanese war. We understood from Article XI of the Mutual Aid agreement of 2nd [11] February, 1944, that termination of the agreement was to be on a date agreed between the two Governments and we should very much like to discuss this with you before any immediate action is taken.

I know that you appreciate our position vis à vis the United States. We have no doubt that we shall reach a satisfactory settlement with you. But a premature announcement of the cessation of Mutual Aid on your part would have ill effects on our present negotiations with the U.S. In their case we have been pressing on the administration through Mr. Clayton, who is now in London, that there should be no sudden termination of Lend-Lease before there had been an opportunity to consider the manner of winding it up and what is to follow after. We do not yet know exactly what line might be taken

by the President, but we have reason to expect that most of those existing arrangements which are still essential particularly as regards food will continue for the time being. Any other decision would indeed be a disastrous one for us. But if Canada should now announce the sudden end of Mutual Aid, how can we expect the United States administration to hold to what we hope are their present intentions?

We are of course ready to begin discussions of what the new arrangements should be as soon as it is useful to do so. But so many essential elements in our general post-war financial arrangements will remain uncertain until we have made some progress in Washington that there is no definite proposal which we can advance or accept on the spur of the moment. The essential point for us is that having regard to the reaction on Lend-Lease there should be no sudden termination of the principle of Mutual Aid. In view of our many heavy pressing anxieties and difficult decisions to be made, I very much hope therefore that the decision which you have notified in your telegram can be suspended.

I also ask you as a matter of the greatest urgency to make no public announcement on your proposed policy and to enjoin on everybody the need for the utmost reticence at this stage. Meanwhile we agree with the procedure in paragraph three of your telegram relating to military supplies and we will also inform you as soon as possible about any items in the civilian program which will no longer be required in the changed circumstances. Apart from any such cancellations we hope that the rest of the civilian program can continue as arranged.

548. DEA/198s

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1919 Ottawa, August 21, 1945

IMMEDIATE. SECRET. Following for Angus[311] from Wrong, Begins: Your telegram No. 2356 of August 18th.†

1. The steps which we might take to assist the United Kingdom in financing payment of civilian supplies have not yet been considered by Cabinet. The present situation is that the British have reacted strongly to our telegram No. 187 to Dominions Office. To our surprise, they have been taken aback by what they consider an abrupt termination of Mutual Aid. We have explained that our telegram did not represent a new decision but that we intended it as a reminder that, according to the terms of the existing arrangements, Mutual Aid transfers would cease on the cessation of hostilities and we wished to give them an immediate opportunity of stopping the shipment of non-essentials and

[311] H. F. Angus était alors à Londres pour participer à la troisième session du Conseil d'UNRRA.
H. F. Angus was then in London to attend the Third Session of the UNRRA Council.

of ensuring an uninterrupted flow of necessities. The cessation of hostilities came so abruptly that this reminder that the provisions for existing arrangements would come into effect was despatched only on August 15, the termination date.

2. We have not yet received any concrete proposals from the United Kingdom authorities. Mackintosh and I had a talk with Munro this morning and we explained the reasons back of our telegram as I have above. We assured him that we did not intend to use the United Kingdom cash receipts to meet cancellation charges. Munro welcomed this assurance. We hope that Parliament will be asked to vote funds to pay all cancellation charges including Mutual Aid contracts, which in the case of the United Kingdom are estimated at some $300,000,000.

3. With regard to financing in the interim before final arrangements are made, it is too early to say what means will be used, though clearly we are most anxious to find a mutually satisfactory solution and are hopeful that one will be found. The Government may agree to accumulate sterling for a time, provided that such accumulation would not be treated as comparable to the sterling balances accumulated in the sterling area during the war, say by India.

4. We are in the meantime exploring means whereby we can provide Canadian Government funds to cover purchase of necessities for United Kingdom account.

5. The Government might perhaps agree to change the cut-off date from August 15th to the date of the signing of surrender but we are reserving judgment until we see what supplies have moved since August 15th. Extension of the date would simplify the application of Article 8 of the Mutual Aid Agreement, under which title to goods in transit reverts to Canada.

6. Mr. MacDonald delivered to the Prime Minister a somewhat plaintive message from Mr. Attlee on August 18th and also saw Mr. Ilsley yesterday. Eady will have reports of these meetings and probably a request from Munro for instructions.

7. I may add that we have not had a similar reaction as yet from other countries with whom we have Mutual Aid Agreements. The U.S.S.R. has not questioned the coming into effect of the provisions of the Mutual Aid Agreement on the cessation of hostilities, although they were not prepared to recognize that hostilities had ceased on August 15th and they have asked that exceptions be made on individual items. Australia has acknowledged our notification and thanked us for our sympathetic consideration. We appreciate, however, that in the case of the United Kingdom, their reaction was influenced by their concern over their discussions with the United States, where, because of reverse Lend-Lease, and the complexities of the Article VII discussions, the situation is not comparable.

8. We have, at the United Kingdom request, managed to withhold publicity, but we have pointed out to the United Kingdom that a reading of the Mutual Aid Act and Agreements could only lead to the conclusion that Mutual Aid transfers were to cease with the end of hostilities. Ends.

549. DEA/198s

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1921 Ottawa, August 21, 1945

SECRET. PERSONAL. Following for Pearson from Robertson, Begins: Your telegram No. 2383 of August 21st.† Our telegram No. 1919 will give you full background.

I am sorry about the impression of abruptness which our message has evidently left and am prepared to concede that its despatch was a shade precipitate. At the same time I think it should be understood in London that we were quite as much taken aback by their reaction to our message as they obviously were by our message itself. We assumed that it was common ground that Stage II ended automatically with the ending of hostilities in the Japanese war. It is true that Stage II has come to an end and Stage III has begun much earlier than any of us expected but I am surprised and rather nonplussed by the suggestion that our message was "unexpected" in these circumstances. Ends.

550. DEA/198s

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, August 18, 1945

I think that some reply should be sent to the message from Mr. Attlee which Malcolm MacDonald delivered to you last Saturday. It is true that one of the reasons for the special urgency attached to that message has now passed since an announcement of the termination of lend-lease has been issued in Washington.[312] On the other hand, this announcement is much more drastic in its terms than they expected in London and you will see from a telegram from Canada House† reporting a discussion between Angus and Sir Wilfrid Eady that the Treasury is so deeply disturbed that they have informed other departments that foreign exchange will have to be conserved on the lines adopted in 1940.

There are two important points on which our decision respecting Mutual Aid differs from the U.S. decision to cut off lend-lease. The first is that certain lend-lease supplies of a military nature can continue to go forward if approved

[312] Le 21 août 1945.
August 21, 1945.

by the U.S. Chiefs of Staff. The second is that the operative date of termination is to be the official V.J. Day which President Truman is expected to proclaim when the terms of surrender are signed, probably on August 31st.

I think that we could reasonably postpone the date of our own termination of Mutual Aid to correspond with the formal acceptance of surrender[313] and that if we are to do so it would be well to take action at once and to include this change in your reply to Mr. Attlee.[314] There is quite a strong case for saying that the "cessation of hostilities" referred to in our Mutual Aid agreements only takes place when military surrender is actually effected.[315] So far as I can gather the postponement of the effective date of our decision for just over a fortnight would not cause any practical difficulties at this end and might even assist in the solution of a number of technical problems relating to such matters as the treatment of cargoes at sea containing some civilian supplies and some munitions which would revert to our ownership under the original decision and for which we would have no use.

If you agree with this, a meeting of the Mutual Aid Board could be called to approve the change and perhaps you might mention the matter to Mr. Ilsley and Mr. Howe.

551. DEA/4929-40

Mémorandum du ministère des Finances et du ministère des Affaires extérieures au Comité de guerre du Cabinet

Memorandum from Department of Finance and Department of External Affairs to Cabinet War Committee

SECRET Ottawa, August 28, 1945

TERMINATION OF MUTUAL AID

All Governments in receipt of Mutual Aid supplies from Canada were notified on August 15th that, in accordance with the general Mutual Aid arrangements, Mutual Aid transfers would cease from the date of the cessation of hostilities, which was taken to be August 15th. The notification stated that we should be glad to make the necessary arrangements to ensure the continued delivery of essential supplies on a payment basis. The United Kingdom Government on August 18th addressed urgent representations to the Prime Minister expressing the hope that the operation of the decision would be suspended and emphasizing the grave embarrassment to them if any publicity were given while they were in the course of negotiations with the United States

[313]Note marginale:
Marginal note:
I agree with this but Cabinet will have to decide. K[ING]

[314]Note marginale:
Marginal note:
only after Cabinet has agreed. K[ING]

[315]Note marginale:
Marginal note:
I agree.

Government from which they hoped to continue to receive lend-lease supplies for the time being. The Soviet Government has sought concessions on certain points and both it and the Australian Government have intimated that the effective date for the termination of Mutual Aid might properly be extended to the actual signature of surrender by Japan.

In the interval the United States Government have announced their policy which is much more drastic than had been expected in London. In consequence a Treasury Mission is being despatched to Washington for urgent discussions. Lord Keynes who will head this mission is expected to arrive in Ottawa on September 3rd or 4th in order to give information on the United Kingdom position and to discuss interim financial arrangements with us.

One of the differences between the United States decisions respecting the termination of Lend-Lease and our decisions on Mutual Aid is that the effective date in Washington will be midnight on the day to be proclaimed by President Truman as V.J. Day which will probably be either the day of or the day after the signature of the formal surrender terms. It can be argued that legally there has been no "cessation of hostilities" within the meaning of Article VII of our Mutual Aid agreements until the announcement of readiness to surrender made on August 15th has been implemented by the signature of surrender terms now expected on September 2nd. When we notified the recipient governments that August 15th would be the date for ending Mutual Aid, it was thought that there would be only a very short interval before the signature of the terms. In fact this interval will run to more than a fortnight.

It is suggested that a reply should be sent to the representations received from the United Kingdom stating that we shall be prepared to discuss with Lord Keynes the extension of the effective date for the cessation of Mutual Aid from August 15th to a time not later than midnight on the day of the signature of surrender. It is not suggested that any other modification of the arrangements be contemplated. Similar treatment would presumably have to be accorded to other Governments receving Mutual Aid.

It is further suggested, in accordance with the views of the Mutual Aid Board expressed at their meeting of August 27th, that provision should be made to enable the Government to act as the agent for the United Kingdom, Australia, New Zealand and, possibly, the other countries receiving Mutual Aid, in procuring essential supplies which they will continue to need after the termination of Mutual Aid transfers. For this purpose it is intended to submit within the next few days recommendations to Council requesting specific authority for the Government of Canada to act as agent and to meet costs so incurred, on a temporary basis under the powers provided in Section 3 of the War Appropriation Act. These powers enable the Government of Canada to act as an agent of the Government of an allied country "for any purpose which, in the opinion of the Governor in Council, will aid directly or indirectly in the prosecution of the war." The Department of Justice has advised the Department of Finance that these powers may be exercised following the actual cessation of hostilities and can be justified in that period because of the need for continuing various operations connected with the conclusion of the war,

such as, for example, the occupation of enemy territory and the disarming of enemy forces.

552. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, August 31, 1945

...

MUTUAL AID; EXTENSION OF TERMINATION DATE; INTERIM FINANCING

1. THE SECRETARY reported that, at the last meeting of the Mutual Aid Board held on August 27th, it had been agreed to refer to the Cabinet the question of a possible extension of the date for termination of Mutual Aid. It would be recalled that the United Kingdom and other governments had been notified that transfers of supplies under Mutual Aid would cease from the date of the cessation of hostilities, then taken as August 15th.

Subsequently representations had been received through the U.K. High Commissioner expressing the hope that the operation of this decision would be suspended pending discussions in Ottawa at the beginning of September with Lord Keynes and U.K. representatives. The United States government had also announced that Lease-Lend would terminate on V-J Day, and it now appeared that this would be a fortnight or more after August 15th.

The Mutual Aid Board, as a measure of interim financing pending more permanent arrangements, had agreed that U.K. wheat and orders for civilian goods should be provided for by Mutual Aid up to the agreed termination date, and that new orders should be financed under Section 3 of the War Appropriation Act.

An explanatory note prepared by the Departments of Finance and External Affairs had been circulated suggesting:

(a) that the U.K. government be informed that Canadian representatives would be prepared to discuss with Lord Keynes the extension of the effective date for the cessation of Mutual Aid; and,

(b) that provision be made to enable the government to act as agent for the United Kingdom, Australia, New Zealand, and possibly other governments in receipt of Mutual Aid in procuring essential supplies after the termination of Mutual Aid, and to meet costs so incurred on a temporary basis under the powers provided in Section 3 of the War Appropriation Act.

(Memorandum, August 28, 1945, Cabinet Document No. 42).

2. MR. HEENEY read a draft telegram to Mr. Attlee, approved by the Prime Minister, in reply to the representations received through Mr. MacDonald. The telegram stated that Canadian representatives would be glad to discuss with Lord Keynes methods of interim financing and the possibility of extending the

effective date for the termination of Mutual Aid. It went on to say, however, that it was not possible for the government to seek a new Mutual Aid vote from Parliament.

(Draft telegram from External Affairs to Dominions Office, August 28, 1945).[116]

3. THE CABINET after discussion, agreed:

(i) that Canadian representatives be authorized to discuss with U.K. representatives (Lord Keynes's mission) the possibility of extending the effective date for the termination of Mutual Aid from August 15th until the date of the formal signature of the surrender of Japan;

(ii) that interim financing of essential supplies to the United Kingdom, Australia, New Zealand and possibly other countries in receipt of Mutual Aid (including the U.S.S.R.) after the termination of Mutual Aid be provided on a temporary basis under the powers conferred by Section 3 of the War Appropriation Act and that appropriate Orders in Council be passed to that effect to enable the government of Canada to act as agent for such countries;[117] and

(iii) that the terms of the draft telegram from the Prime Minister to Mr. Attlee be noted with approval.

...

553. DEA/198s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 203 Ottawa, August 31, 1945

SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: Mr. Malcolm MacDonald delivered to me on August 18th your message setting forth some of your difficulties arising from the cessation of Mutual Aid and Lend-Lease consequent on the sudden ending of the Japanese war. He has, I know, informed you of his discussions on this subject with the Minister of Finance and myself and I need not now traverse the same ground. Arrangements are in progress for the cancellation of the shipment of Mutual Aid supplies which you no longer require and I understand that the shipment of other items in the agreed programme is continuing without hindrance. We were able to ensure that no publicity was given to our own decisions before the announcement in Washington of the policy adopted by the

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[116]Voir le document suivant.
See following document.

[117]Les Décrets en Conseil 5925 du 7 septembre 1945, 6006 du 11 septembre 1945 et 6246 du 25 septembre 1945. Non reproduits.
Orders in Council 5925 of September 7, 1945, 6006 of September 11, 1945, and 6246 of September 25, 1945. Not printed.

United States. We intend, indeed, if possible, to refrain from public announcement here until early in the session of Parliament.

2. I understand that Lord Keynes will be arriving in Ottawa early next week for discussions on his way to Washington. We shall be glad to take up with him the methods of interim financing which might be adopted pending the discussion of more permanent arrangements. We shall also be glad to discuss with him the possibility of extending the effective date for the termination of Mutual Aid from August 15th until the date of the formal signature of the surrender of Japan. I am afraid it is quite out of the question for us to seek a new Mutual Aid vote from Parliament but you may be assured that we shall do our best to find some mutually acceptable method of financing on credit terms the procurement from Canada of the essential supplies which are needed so badly in the United Kingdom. Ends.

554. DEA/198s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 209 Ottawa, September 8, 1945

IMPORTANT. SECRET. Following for the Prime Minister from the Prime Minister, Begins: Lord Keynes will have reported to you on the results of our discussions with him on the termination of Mutual Aid. The Minister of Finance made a statement yesterday to the House of Commons on the subject, advising the House that the date of termination of the transfer of supplies as Mutual Aid has been taken as midnight September 1st and that the Canadian Government has waived any rights to take title or ask an accounting for Mutual Aid supplies loaded or in ocean transit up to midnight September 1st.

As part of these arrangements, the Canadian Government is assuming liability for cancellation charges on all contracts cancelled up to September 1st and upon certain contracts in respect of which the United Kingdom had before that time asked that final decision be deferred, cancellation instructions having been subsequently received.

I am gratified that it has been found possible thus to modify the interpretation of the arrangements between us of which I advised the Secretary of State for Dominion Affairs on August 15th. I am pleased too that we were able to withhold any official announcement until today after the matter had been discussed with Lord Keynes.

As he has no doubt told you, we have deferred discussion of arrangements for financing the period of transition. When these discussions begin I need hardly assure you that our disposition will be to do everything within our power to arrive at mutually satisfactory arrangements. Ends.

555. W.L.M.K./Vol. 394

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 192 London, September 13, 1945

IMPORTANT. SECRET. Your telegram No. 209. Following for the Prime Minister from the Prime Minister, Begins: Thank you for your kind message. The decisions which your Government have taken in connection with the termination of Mutual Aid will assist us greatly in the difficult period which lies immediately ahead. I am particularly happy to think that we are now assured of a breathing space in which we can pursue the longer term arrangements to cover the transitional period. I am most grateful for the sympathetic hearing you gave to Lord Keynes who reports that he encountered during these preliminary conversations the same spirit of understanding and ready cooperation which you and your colleagues have invariably extended to us in this field. Ends.

SECTION F

INDE/INDIA

556. DEA/4929-J-40

Aide-mémoire du haut commissariat de Grande-Bretagne

Aide-Mémoire by High Commission of Great Britain

Ottawa, February 16, 1944

FINANCING OF LOCOMOTIVE PURCHASES BY INDIA

1. The United Kingdom Government have been informed by the Indian Government of the proposals put forward by the Canadian Government for the financing of locomotives to be purchased in Canada by India. It is understood that whereas it is agreed that the purchase of these locomotives is an essential and approved war requirement and that Canada is able to supply them, owing to the nature of the goods themselves (i.e. the long life of a locomotive) they are not suitable to be provided under Mutual Aid. Accordingly Canada is proposing arrangements that would involve the opening of a credit through Canadian banks which the Indian Government would be enabled to repay over a period of three to six years.

2. The United Kingdom Government feel that for the reasons set out below they have an equal interest with India in these arrangements and indeed that in a case such as this where essential goods to be supplied by Canada to India are not eligible for Mutual Aid, the consequential financial arrangements become primarily a Canada-United Kingdom question. They would be less than candid if they did not let the Canadian Government know at once that they entertain serious misgivings in regard to the present Canadian proposals.

3. In the first place the United Kingdom authorities have regarded the financial machinery set up to facilitate the provision of Mutual Aid to the United Kingdom as implying (a) recognition by Canada of the special position of the United Kingdom as repository of the pooled dollar resources of the sterling area and (b) acceptance of the principle that any individual member of the sterling area should remain free to draw upon that pool to meet its essential and approved requirements (where Mutual Aid is not involved) without any other obligation than that of surrendering its dollar receipts to the pool when not immediately required. The United Kingdom Government feel that the Canadian proposal to extend a direct credit to India as a condition of supplying locomotives disrupts this vital principle. While the United Kingdom Government fully recognize the right of the Canadian Government to enter into direct negotiations with India in regard to the ordering of war supplies in Canada and to require direct payment by India at the time of settlement, they hope that the Canadian authorities will recognize that the arrangements which they have made with the United Kingdom in regard to the machinery of Mutual Aid must cover all legitimate sterling area requirements (among which the locomotives in question are surely to be included) and that it is contrary to the whole spirit of these arrangements that special ad hoc methods of finance should have to be found in special cases.

4. In the second place the United Kingdom authorities cannot overlook the fact that post-war foreign exchange commitments assumed by any member of the sterling area involve a direct liability against the United Kingdom Canadian dollar reserves. For this reason alone they would feel entitled to claim a vital interest in the conclusion of arrangements between Canada and individual members of the sterling area involving the assumption of such commitments. In the view of the United Kingdom Government the growing burden of the actual and contingent liabilities which are even now being assumed by the United Kingdom in respect of the current dollar requirements of the sterling area, is such that they are very reluctant to enter into new commitments relating to the post-war period.

5. For the reasons set out above the United Kingdom Government would wish to discuss alternative methods of payment for the locomotives with the Canadian authorities, as they find themselves unable to agree that financial arrangements along the lines at present contemplated by the Canadian authorities are mutually satisfactory. They earnestly hope that the Canadian Government will recognize their interest in this matter and will not allow the discussion of alternative methods of finance to delay the early placing and execution of the orders for these locomotives, which are needed in India as a matter of the utmost urgency.

6. As regards the alternatives, it would appear that if the direct use of Mutual Aid funds is held to be inappropriate there remain three possibilities:

(a) that the Indian Government should make payment in Canadian dollars through existing banking channels;

(b) that the Indian Government should make payment in sterling to Canadian account which the Canadian authorities would agree to hold as an increase in their sterling balances;

(c) that the Indian Government should make payment to Canada in U.S. dollars.

557. DEA/4929-J-40

Le sous-ministre des Finances au sous-secrétaire d'État adjoint aux Affaires extérieures

Deputy Minister of Finance to Assistant Under-Secretary of State for External Affairs

SECRET Ottawa, February 17, 1944

I am attaching hereto, for your information, copy of the Aide-Mémoire left with me yesterday by Mr. Gordon Munro, expressing the objection of the United Kingdom Government to our proposal to give a credit to India for the purchase of locomotives in Canada.

I need not say that we have never accepted the principle that any individual member of the sterling area should remain free to draw upon that pool to meet its essential and approved requirements (where Mutual Aid is not involved) without any other obligation than that of surrendering its dollar receipts to the pool when not immediately required. It is true that when dealing with the Mutual Aid arrangements for Australia[318] we went as far as we could to avoid disrupting the sterling area set-up but this related purely to "mechanics" and did not imply that we were always bound to avoid dislocations to the sterling area set-up, however serious the effect might be on Canada. I immediately expressed to Mr. Munro my own unfavourable reactions to the British proposals (although pointing out that payment by India in U.S. dollars might be satisfactory to us but probably unacceptable to the United States) and I went on to raise the more general issue of South Africa and New Zealand continuing to make purchases in Canada almost certainly in excess, and perhaps substantially in excess, of their current receipts of Canadian dollars but apparently without any or much desire to make formal application for Mutual Aid assistance. Personally, I do not think we can allow this to continue and that it will be necessary to get a decision from the Board as quickly as possible. If the Board is willing to grant Mutual Aid assistance to South Africa as well as to India and New Zealand and agrees that the sound principle is to follow the general principle of our Act and give Mutual Aid assistance to cover the Canadian dollar deficit of each country, then I think we should immediately call in representatives of each of these countries, explain the situation fully to them and get under way at once a program which can be defended.

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[318] Ces arrangements sont résumés dans le télégramme 166 du 9 septembre 1943 au haut commissaire en Australie qui se trouve dans DEA/4929-D-40.
These arrangements are summarized in telegram 166 of September 9, 1943, to the High Commissioner in Australia which is in DEA/4929-D-40.

While I stated my personal opinion to Mr. Munro immediately, I promised to give further consideration to his representations and to have them discussed on a higher level.

Yours sincerely,

W. C. CLARK

558. DEA/4929-J-40

Le sous-ministre des Finances au conseiller financier, le haut commissariat de Grande-Bretagne

Deputy Minister of Finance to Financial Adviser, High Commission of Great Britain

Ottawa, February 18, 1944

Dear Mr. Munro,

You will recall our recent conversations concerning the manner of dealing under the Mutual Aid arrangements with motor vehicles which have been ordered by the United Kingdom War Office for shipment to India. Our understanding is that some of these vehicles have been for the use of British forces serving in or near India, while others have been for the use of Indian forces. I also understand, from what you said the other day and from the memorandum which you left,† that the United Kingdom authorities would now prefer that all of those vehicles to be shipped to India should be provided by Mutual Aid to the Indian Government, without distinction as to whether they are for the use of the Indian forces or the British forces. I am not clear as to whether it was the desire of your authorities that this should apply also in respect of the vehicles which have already been shipped, or merely those to be shipped henceforth.

At its last meeting the Mutual Aid Board discussed the very important questions raised by the representations made by you on behalf of your Government. The transactions have apparently been going on for some time and the sums involved are very large. Furthermore, while we appreciate the difficulty faced by your Government arising out of earlier adjustments made with the Government of India, there is the very difficult question of whether it is possible to give Mutual Aid assistance on a substantial scale to India. We were aware that India had not signed the Lend-Lease Agreement with the United States and some days ago we were informed by Mr. Mahindra[319] that it was doubtful whether his Government would be willing to sign our Master Agreement because of the inclusion of Article X. After considering the matter from all angles and with a desire to be as helpful as possible, the Board finally decided that if the Indian Government were prepared to sign the Master Agreement (with Article X revised as in the Agreement recently signed with

[319]Le chef, la Mission de l'approvisionnement de l'Inde, Washington.
Head, Indian Supply Mission, Washington.

your Government)[320] that it would be prepared to provide to India under Mutual Aid the trucks shipped to India for the use of the Indian forces. This decision in principle was made without knowledge of the proportion of trucks that were for the use of the Indian forces, on the one hand, and those which were for the use of British forces operating in or based on India. The Board felt that it could not appropriately provide to India under Mutual Aid trucks for the use of the United Kingdom forces and saw no reason why if such trucks were given under Mutual Aid to the United Kingdom and were for the use of British forces they should be charged to India. It was assumed that the trucks, which under the principle laid down above would be mutual aided to India, would represent the smaller portion of the total, but the Board wished to obtain the necessary information concerning the amounts involved in each category.

I am writing, therefore, to inform you of this decision in principle and to ask you if you would be good enough to obtain from your Government the facts as to the allocation of these motor vehicles between the Indian forces and the United Kingdom forces in order that we may be able to deal with an application for Mutual Aid if the Indian Government is willing to sign the Master Agreement. I would also like to inquire as to the date from which you feel it is desirable to make this segregation. I would suggest that the most appropriate date would be September 1, 1943, as it was at that time that the major transfer of motor vehicles under Mutual Aid commenced.

I realize that there may be some difficulties in determining in advance precisely how many trucks from an order for future delivery will be used by Indian forces and how may will be used by the United Kingdom and other forces. If it is not possible to make a firm forecast, I think we might consider having a preliminary division made and then this could be adjusted later on the books of the Mutual Aid Board when the trucks were finally allocated, by means of the procedure that is being arranged for taking into account diversions made from other United Kingdom orders.

Yours very truly,

W. C. CLARK

559. DF/Vol. 406

Le conseiller financier, le haut commissariat de Grande-Bretagne, au sous-ministre des Finances

Financial Adviser, High Commission of Great Britain, to Deputy Minister of Finance

915/289 Ottawa, March 14, 1944

Dear Dr. Clark,

May I refer to our conversation on the 2nd March about the financing of purchases of Canadian locomotives by the Government of India. I have now

[320] Voir Canada, *Recueil des traités*, 1944, N° 3.
See Canada, *Treaty Series*, 1944, No. 3.

been asked by the United Kingdom authorities to inform you that in the special circumstances they are prepared to put up United States dollars to finance these purchases. It is understood that this method of payment is acceptable to you as an alternative to the credit guarantee proposals which have previously been put forward by the Canadian authorities.

As a matter of procedure it is assumed that under this arrangement the Indian Government will complete the contract arrangements on the ordinary basis of payment in Canadian dollars or sterling as appropriate. These payments will be made by India through London in the usual way and the subsequent adjustment of United States dollars against sterling would be arranged between the Bank of England and the Bank of Canada.

Yours sincerely,

R. GORDON MUNRO

560. DF/Vol. 406

Le sous-ministre des Finances au conseiller financier, le haut commissariat de Grande-Bretagne

Deputy Minister of Finance to Financial Adviser, High Commission of Great Britain

Ottawa, March 20, 1944

Dear Mr. Munro,

I am writing to confirm the verbal reply, which I gave you some time ago, to the aide-mémoire on our financing of locomotive purchases by India which you left with me.

As I told you, the questions raised in this aide-mémoire were considerd by the Mutual Aid Board at the next meeting following its receipt, and I was instructed to give you the views of the Board on it.

In regard to the specific proposals suggested in lieu of the credit arrangements we had proposed to the Government of India, the Board has asked me to say that we would be prepared to receive payment for these locomotives in gold or United States dollars, but we would not wish to have payment made either in Canadian dollars, from the common pool available to the sterling area for essential purchases in Canada, or in the form of sterling to be held by Canada until after the war.

The reason that we would not wish payment to be made from the sterling area pool of Canadian dollars is, essentially, that such action, under our present arrangements, would simply lead to an increase in the value of other supplies which would need to be provided as Mutual Aid, and would thus be equivalent, from the Canadian point of view, to providing the locomotives themselves as Mutual Aid. The Board is not now prepared to supply, as Mutual Aid, or on terms that would be equivalent to Mutual Aid from the Canadian point of view, locomotives which, while although urgently needed now for essential wartime purposes, will nevertheless have a post-war value almost equal to their

original cost, and which will contribute directly and fully to India's post-war economic strength. It is felt that it would hardly be reasonable to expect the Canadian Parliament to provide, at Canada's cost under Mutual Aid, goods which will have a substantial and enduring peacetime economic value to the country receiving them. It was for this reason that we proposed to have the locomotives supplied on normal commercial credit terms, which would make it possible to avoid completely the indirect effects of present payment on Mutual Aid.

In your paragraph 3 it is said that your authorities have regarded the financial machinery set up to facilitate Mutual Aid as implying our acceptance of the principle that any member of the sterling area would remain free to draw upon the United Kingdom pool of Canadian dollars to meet its "essential and approved requirements (where Mutual Aid is not involved)," subject only to the obligation of depositing its dollar receipts in that pool if they are not immediately required. We are not prepared to accept this as a general principle. We have, of course, endeavoured so far as possible to set up our financial machinery in such a way as not to interfere with the normal operations of the sterling area machinery, and we are, of course, anxious to avoid any unnecessary disturbance to the sterling area arrangement, but we cannot be expected to carry the principle of cooperation to a point where it would lead to unsound or completely unjustifiable developments from Canada's point of view. In other words, we feel that under certain circumstances we may find it necessary to require, as part of the Mutual Aid arrangements, that some part of the sterling area should deal directly with us, at least for certain types of transactions, instead of purchasing dollars from the United Kingdom pool. This may, we feel, be necessary under certain circumstances, if the policy of the Government and the intention of Parliament that we deal directly with other nations needing Canadian supplies are not to be frustrated. In this connection we have felt for some time that we must define more clearly the relation of South Africa and New Zealand to the Mutual Aid program.

In regard to the acceptance of sterling to be held until after the war, I think you are familiar with the historical evolution of our Mutual Aid program and will realize that it would be scarcely consistent with the explanations and commitments given to Parliament to resume the old practice of accumulating sterling balances in addition to using the Mutual Aid Appropriation in order to cover the Canadian dollar requirements of the sterling area.

I think it is desirable that we should have a clear understanding on the several matters of principle raised in your aide-mémoire, and I trust this letter will contribute to that end. However, I understand that in regard to the specific matter of the locomotives for India, your Government has a strong preference for payment in gold or U.S. dollars and, as this raises no difficulties from our point of view, we are proceeding with the contract on that basis.

Yours very truly,

W. C. CLARK

561. DF/Vol. 406

Le conseiller financier, le haut commissariat de Grande-Bretagne, au sous-ministre des Finances

Financial Adviser, High Commission of Great Britain, to Deputy Minister of Finance

915/289 Ottawa, May 29, 1944

Dear Dr. Clark,

You wrote to me on 18th February concerning the provision of automotive equipment to the Government of India under the Mutual Aid Act and asked whether an indication could be given of the probable allocation of motor vehicles ordered in Canada between the Indian Armed Forces on the one hand, and the British Forces operating in or based on India, on the other. I am sorry that the answer to your enquiry has been delayed for so long. I have now received a message from the United Kingdom Treasury stating that the Indian Government have agreed to a provisional allocation (at the time of supply) of 50 percent of the vehicles to the Indian forces and 50 percent to the British. This will apply, not only to automotive equipment, but to other warlike stores.

2. The Indian Government have asked that they may be informed, for accounting purposes, of the numbers and values of the chassis sent to India during the period commencing 1st September, 1943 and ending 31st March, 1944, and also during each full fiscal year thereafter. It is proposed that there should be a financial adjustment between India and the United Kingdom after the end of each fiscal year, when the Canadian Government will also be notified of the final allocations so that they may adjust their Mutual Aid records accordingly.

3. I should be grateful if you would inform me whether the foregoing proposals are satisfactory to the Canadian authorities concerned and would let me know in due course as from what date the suggested accounting arrangements will begin to operate.[321]

Yours sincerely,

R. GORDON MUNRO

[321] La note suivante était écrite sur cette copie de la lettre:

The following note was written on this copy of the letter:

K[ing] thinks it invidious and agreed to C[lark]'s position—if India left out sure to be awkward.

562. PCO/Vol. 44

Mémorandum du sous-secrétaire d'Etat aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, August 25, 1944

MUTUAL AID AGREEMENT WITH INDIA

One of the questions which was down for consideration by the War Committee yesterday and ought to be decided without waiting for the next meeting was the conclusion of a Mutual Aid Agreement with India. The Mutual Aid Board at its last meeting decided, subject to your approval, that it was desirable that such an agreement should be entered into. While it may appear to be rather late in the day for making a new Mutual Aid Agreement, there are special considerations in the case of India. We shall in any case be sending to India for military use during the current fiscal year trucks to a value of close on $200,000,000, half for the account of the Government of India, half for the account of the United Kingdom. Up to the present (with the exception of the gift of wheat to India for famine relief)[322] Canadian supplies sent to India for war use on Indian account have been furnished through the United Kingdom and our understanding is that India has paid the United Kingdom in sterling for such supplies. Both the Indian and United Kingdom Governments, however, would welcome a decision on our part to furnish trucks direct to India as Mutual Aid.

The conclusion of an agreement will make no difference in the actual volume of shipments to India from Canada and the cost of the trucks will in any event fall on the Canadian Treasury. The Mutual Aid Board considered the situation in the light of the fact that India is accumulating a very large sterling balance as a result of her sales to the United Kingdom during the war. The British estimate that this balance may reach $4,000,000,000 by the end of this fiscal year. The British on political grounds are in no position to put pressure on India to reduce or eliminate this war debt through gifts in cash or kind. As Keynes explained when here they hope that they will arrange for its funding on very easy terms, possibly without interest.

The decision of the Board was that it was nevertheless desirable to extend Mutual Aid to India to a limited degree and the limit was tentatively set at one-sixth of the value of the trucks going to India or approximately $33,000,000. It was felt that this would have a beneficial effect both politically and in the promotion of post-war trade with India.

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[322] Voir le volume 9, les documents 919 à 929.
See Volume 9, Documents 919 to 929.

Sir Girja Bajpai[23] has been authorized to sign the Agreement in terms identical with our other Agreements. He wishes to sign it at Washington and to have it completed in Ottawa by our signatures. This is probably desirable since the absence of the ceremony of signature avoids publicity and the feeling of the Board was that we should not play up the conclusion of an agreement at this stage. Bajpai is prepared to sign immediately and the Embassy in Washington now has the final text and is holding it awaiting instructions to secure his signature.

563. DEA/4929-J-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3711 Ottawa, September 5, 1944

Your WA-5175 of September 4th.† Mutual Aid Agreement with India. The War Committee has now approved the signature of this Agreement and you may so inform the Indian Agency General. If Sir Girja Bajpai signs in Washington the texts enclosed with my despatch No. 1215 of August 23rd,† he should leave the date blank. You might suggest to him that he forward the two originals to you under cover of a communication stating that he has been authorized by the Government of India to sign the Agreement on their behalf.

2. We feel, however, that before the Agreement is concluded you should communicate the following information to Sir Girja Bajpai or Mr. Mahindra as we do not wish them to be under any misapprehension about the probable extent of the supplies to be furnished to India under the Agreement. The main item of war supplies going to India from Canada consists of army trucks and it is expected that deliveries during the current fiscal year will reach a value of $198,000,000. Our understanding is that the provisional arrangement between the Governments of the United Kingdom and India is that each Government should be responsible for the cost of half these trucks. In view of the heavy demand against the Mutual Aid funds which have been appropriated by Parliament, we do not anticipate that we can make available to India under the Mutual Aid Agreement more than about one-third of their share of the trucks, which would amount in value approximately to $33,000,000. We wish them to know this before signature; and we hope that they will agree that the provision of trucks in this amount constitutes substantial evidence of our desire to assist them materially in the prosecution of the war.

[23] Agent-général pour l'Inde aux États-Unis.
Agent-General for India in the United States.

564. DEA/4929-J-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 2531 Washington, November 4, 1944

Sir,

I have the honour to refer to your despatch no. 1215 of August 23rd† and subsequent teletypes EX-3711 of Sept. 5th and EX-4144 of October 12th† concerning the signature of the Mutual Aid Agreement with India.

2. I am now enclosing the two originals (part and counterpart) of the Mutual Aid Agreement with India signed by Sir Girja Bajpai, the Agent General, who has been authorized by the Government of India to sign the Agreement on their behalf.

3. With reference to the limitations on the extent of supplies to be furnished to India under the Agreement, as indicated in your teletype EX-3711, the First Secretary of the Indian Agency General, in transmitting these documents to us, remarked that "They (the Government of India) are most grateful to the Canadian Government for the substantial evidence provided by this Agreement of Canada's desire to assist India materially in the prosecution of the war. They hope however that the extent of Canada's mutual aid to India will in the event prove greater than is now anticipated." I enclose copies of the letter of transmittal which accompanied the signed documents.†

4. I assume that you will be making the necessary arrangements with the Wartime Information Board for appropriate publicity. The India Government Information Service in Washington have indicated their desire to cooperate in ensuring that adequate publicity accompanies the final signature of this Mutual Aid Agreement.

I have etc.

L. B. PEARSON

565. DEA/4929-J-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4586 Ottawa, November 14, 1944

Your message WA-6354 of November 8th† and despatch No. 2531 of November 4th. Mutual Aid Agreement with India.

1. The Agreement has been signed by the Prime Minister but its completion must await the return of Mr. Howe from Chicago, the date of which is uncertain. You may inform the Indian Agency General of the position.[324]

2. With regard to publicity, we do not in present circumstances wish the signature of the Agreement to be played up. A press despatch from Delhi yesterday reported that the Finance Member of Viceroy's Council had referred to approaching completion of the Agreement and had indicated that India expected to receive locomotives and other war supplies from Canada under its terms. If he in fact said this he was misinformed on the question of locomotives since these are being purchased in Canada and not furnished under Mutual Aid. If questioned, we shall make it clear that Mutual Aid supplies to India will be limited to military supplies for the Indian forces and particularly mechanical transport.

3. The Prime Minister has approved the following statement to be issued on the conclusion of the Agreement. This has not yet been seen by Mr. Howe and, therefore, may be altered. You may however, give it as a draft to the Indian Agency General. Please inform Washington representative of the Wartime Information Board of contents of this message.

"The Prime Minister Mr. Mackenzie King announced today that a Mutual Aid Agreement had been concluded between Canada and India. The Agreement was signed by Sir Girja Bajpai, Agent General for India in the United States, on behalf of the Government of India and by the Prime Minister and the Hon. C. D. Howe on behalf of the Government of Canada. The Agreement is identical in contents with the previous Mutual Aid Agreements. Mutual Aid Agreements have been concluded with the Governments of the United Kingdom, Australia and New Zealand, the Provisional Government of the French Republic and the Soviet and Chinese Governments.

A large part of the supplies of motor transport required for the Indian Army is being furnished by Canada and it is expected that the war supplies to be furnished to the Government of India in accordance with the Mutual Aid Agreement will consist entirely of automotive equipment for the military forces in India."[325]

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[324] L'accord entrait en vigueur le 17 novembre 1944. Voir Canada, *Recueil des traités*, 1944, N° 31.
The agreement became effective on November 17, 1944. See Canada, *Treaty Series*, 1944, No. 31.

[325] La déclaration fut émise le 27 novembre.
The statement was released on November 27.

566. DF/Vol. 406

Le conseiller financier, le haut commissariat de Grande-Bretagne, au sous-ministre des Finances

Financial Adviser, High Commission of Great Britain, to Deputy Minister of Finance

915/289 Ottawa, March 2, 1945

Dear Dr. Clark,

May I refer to our previous correspondence about the provision of military trucks produced in Canada for shipment to India and the manner in which this programme should be financed. As you will recall, this correspondence took place before the signature by India of a Mutual Aid Agreement with Canada. It is my understanding that the arrangements now contemplated by the Canadian authorities provide that part of India's share in the total cost of this programme, should be financed out of Mutual Aid Appropriation and that this proportion works out at about $33 million or approximately one-third of India's share. That share, in its turn, was, as you know, estimated by the United Kingdom authorities at approximately 50% of the total cost of the programme as a whole, and it is, I believe, on the basis of this percentage that subsequent discussions between the Indians and yourselves were conducted.

Mr. A. C. B. Symon of the India Supply Mission in Washington has now called my attention to a letter dated the 6th September last from Mr. L. B. Pearson to the Agent General for India in Washington' in which the formal decision of the Canadian Government is set forth. A copy of this letter is no doubt available on your files. Mr. Symon tells me that he duly communicated the substance of this letter to the Government of India and that he has now received in reply a message which raises certain questions of interpretation on which he feels it is desirable that the Canadian authorities should be consulted. He suggests that since we, in this Office, were fairly intimately concerned at an earlier stage, it might be more convenient for me to take the matter up with you rather than that he should refer it to the Canadian Embassy in Washington.

The question which the Indian authorities ask is whether they are correct in assuming that the present extent of Canada's Mutual Aid to India should be regarded as a monetary quota of approximately $33 million and does not merely represent one-third of the value of India's share of trucks, whatever that may be, subject only to an outside limit of $33 million. The point is of some importance to the Indian authorities in view of the fact that their latest estimates indicate that of the total of army trucks supplied to India during the current financial year, those utilised for India's own purpose amount to much less than 50% and that accordingly one-third of the value thereof will be substantially less than $33 million. They therefore enquire whether they may assume that the whole and not merely one-third of India's share of these trucks will be provided under Mutual Aid subject only to a maximum of $33 million. They further ask whether they may assume that if the value of all trucks whose

cost is attributable to India comes to *less* than $33 million, then the balance of this sum can be regarded as available against other Indian requirements from Canada which the Canadian Government may consider to be eligible for Mutual Aid.

I should be very grateful if you would inform me what reply should be returned to Mr. Symon to enable him to answer his Government's enquiries.

Yours sincerely,

R. GORDON MUNRO

567. DF/Vol. 406

Le conseiller financier, le haut commissariat de Grande-Bretagne, au sous-ministre des Finances

Financial Adviser, High Commission of Great Britain, to Deputy Minister of Finance

915/289 Ottawa, March 22, 1945

Dear Dr. Clark,

I should like to refer again to the question of the provision of military trucks produced in Canada for shipment to India about which I wrote to you on the 2nd March. We have now heard from Mr. Symon of the India Supply Mission that the estimated value of the Canadian trucks likely to be utilised for India's own defence purposes comes to about eight crores of rupees which is equivalent to approximately $26,400,000 Canadian.[326]

This means, of course, that the questions which I put to you rather hypothetically in the third paragraph of my letter of the 2nd March, have now arisen on the facts—that is to say, whether it may be assumed that the whole of India's share of these trucks will be provided under Mutual Aid and whether the balance of the $33 million may be regarded as available against other Indian requirements from Canada which might be eligible for Mutual Aid. I should be most grateful if you could let me know as soon as is convenient what reply I can give Mr. Symon on these two points.

Yours sincerely,

R. GORDON MUNRO

[326]Note marginale:
Marginal note:
Hope delivery charges included.

568. DF/Vol. 406

Le sous-ministre des Finances au conseiller financier, le haut commissariat de Grande-Bretagne

Deputy Minister of Finance to Financial Adviser, High Commission of Great Britain

Ottawa, March 23, 1945

Dear Mr. Munro,

RE: FINANCING OF RAILWAY ROLLING STOCK FOR INDIA

Following our discussions with Lord Keynes and others last December on the financing of railway rolling stock being produced in Canada for India[127] and the discussion which you and I had after your return from your recent visit to the United Kingdom, I again took up this question with the Mutual Aid Board, pointing out the arrangements which you had described to me by which India was obtaining rolling stock in the United States and noting that a portion of the cost of such rolling stock was being provided by the United States as Lend-Lease. I also drew to the attention of the Board the views of the Treasury which you had communicated to me regarding the principle of borrowing for the financing of war requirements of this nature.

The Mutual Aid Board gave very careful and lengthy consideration to this matter. They appreciated the reasons why the U.K. would prefer not to pay for this second lot of rolling stock in U.S. dollars, as they had agreed to pay for the first at an earlier date, in view of the arrangements reached with the U.S. On the other hand, however, they were unable to agree that equipment of this highly durable nature should be furnished even in part as Mutual Aid. While noting the views of the U.K. Treasury regarding the principle of incurring indebtedness for equipment that is urgently needed for war purposes, the Board felt that the Government of India could hardly have objections in principle to the incurring of liabilities in wartime, in view of the huge claims on the U.K. which they have accumulated. The Board have asked me to inform you that they would not be prepared to supply any part of the cost of this rolling stock as Mutual Aid, nor to see the requirements for Mutual Aid on other items increased by reason of the use of Canadian dollars currently accruing to the sterling area for payment of the cost of this large order for rolling stock. They have asked me to propose that this second lot of rolling stock should be financed either from the sale of U.S. dollars to Canada, or by means of a medium term credit to be provided either to the Government of India or the Indian State Railways, presumably along the lines tentatively agreed with the Indian authorities in respect of the first order early in 1944.

In connection with the suggestion that a part of the cost of this equipment might be supplied as Mutual Aid, you will no doubt have observed that the

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[127] Voir le document 523.
See Document 523.

U.S. has agreed with France to provide locomotives and railway cars to France on long term credits rather than on Lend-Lease. This American decision is subsequent to that relating to India, and has been made public. As you are probably aware, Canada has been asked to supply rolling stock to Belgium and France. I feel it would not be possible for us to supply such equipment to India on more favourable terms than we would to France and Belgium, and, on the other hand, I do not see how we can supply equipment to France or Belgium on more favourable terms than the U.S. is doing. Consequently I think this American decision in respect of France makes evident the very difficulties which have faced us in this matter from the beginning. There is no question but that the rolling stock is urgently needed in Europe and in India for war purposes while the war lasts and for the replacement of war losses when the war is over, but it is, we feel, not the type of equipment that can reasonably be supplied on Mutual Aid or equivalent terms.

In view of the above, I hope we can now proceed to complete the arrangements already agreed upon in respect of the first 145 locomotives, which arrangements were, of course, settled before the Americans altered their policy in respect of India and the completion of which, therefore, ought not to raise any difficulties with the U.S. In the meantime, I understand that production is proceeding with all possible despatch, so that there should be no delay in delivery.

One further point occurs to me as worth comment in this connection. You have pointed out that there might be criticism in India if at the time that the Government of India was accumulating balances in London, they were compelled to borrow in Canada in order to finance essential requirements. I take it from this that some reflection might appear to be cast on the convertibility of these sterling balances if we were not prepared to accept them in payment for the rolling stock in question. It might be pointed out that Canada's action in this matter is not related to the convertibility of these balances in any way, but is based simply upon a consideration of Mutual Aid policy and its relation to the various alternative means of financing. The sale of railway rolling stock on credit is a normal commercial practice and we feel that it need not necessarily give rise to any serious objections in principle.

Yours very truly,

W. C. CLARK

569. DF/Vol. 406

Le sous-ministre des Finances au conseiller financier, le haut commisariat de Grande-Bretagne

Deputy Minister of Finance to Financial Adviser, High Commission of Great Britain

Ottawa, March 31, 1945

Dear Mr. Munro,

Your Ref. 915/289

I am writing in answer to your letter of March 2nd, 1945, regarding the provision of trucks to India on Mutual Aid, and your further letter of March 22nd on the same subject.

Your letters were placed before the Mutual Aid Board at their meeting on March 30th and the whole matter was carefully considered in the light of the Board's intentions at the earlier meeting when the previous decision on this matter was reached. The Board took also into consideration the general financial arrangements in effect between India and the United Kingdom and between Canada and the sterling area as a whole.

The Board have requested me to reply to you stating that they wish to interpret their earlier decision as being to supply as Mutual Aid to India one-third of the military trucks being received in India for the account of the Government of India, subject to a limit of $33,000,000 in value. Consequently they are not prepared to provide as Mutual Aid the whole of the smaller number of trucks now found to have been for Indian account. They assume from the contents of your letter that the value of this one-third of the trucks received for Indian account will amount to approximately $9,000,000, and propose to show some such figure in the accounts which may shortly be presented to Parliament regarding Mutual Aid for the fiscal year now closing. Of course these trucks will be in addition to the wheat which is being supplied to India as Mutual Aid, on which the Board has expended something over $5,000,000 this past year.

In regard to the further question of the Indian authorities, as to whether they may assume that they have a monetary quota of $33,000,000 available for Mutual Aid which might be taken in other forms if not as trucks, it must be pointed out that the Board does not allot monetary quotas of Mutual Aid in the way that is implied in this question. Any further items which India wished to obtain as Mutual Aid would have to be considered in the light of their purpose, their nature, and the ability of India to pay for them without Mutual Aid.

I assume that since the inquiry came through your hands, you will transmit this reply to the Indian authorities and that it will therefore not be necessary for us to notify them directly.

Yours very truly,

W. C. CLARK

SECTION G

NOUVELLE-ZÉLANDE
NEW ZEALAND

570. DEA/4929-E-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Nouvelle-Zélande

Secretary of State for External Affairs to High Commissioner in New Zealand

TELEGRAM 48 Ottawa, June 28, 1944

A Mutual Aid Agreement between New Zealand and Canada[328] was signed this afternoon by the Prime Minister and Mr. Howe for Canada and the Hon. Walter Nash and Mr. Firth[329] for New Zealand. The Agreement is identical with those signed with Australia, United Kingdom and other countries, except for change of names and a reference in Articles one and eleven to the Mutual Aid Acts of 1943 and 1944 in place of reference to 1943 Act alone.

2. The Agreement will be tabled in Parliament on June 30th and no previous publicity will be given to signature. Mr. Nash will inform New Zealand Government of these arrangements and no action on your part is required.

571. MAB/Vol. 32

L'adjoint du directeur de l'administration, la Commission d'aide mutuelle, au sous-ministre par intérim, du Commerce

Assistant to Director of Administration, Mutual Aid Board, to Acting Deputy Minister of Trade and Commerce

Ottawa, December 11, 1944

Dear Mr. Master,

SALIENT FACTS CONCERNING NEW ZEALAND AND MUTUAL AID

In the early summer of 1943 it was indicated to New Zealand that we would welcome their approaching Canada for Mutual Aid. It was not until Mr. Nash's visit in June, 1944 that New Zealand specifically requested Mutual Aid, which was approved as of July 1st of this year. Mutual Aid to New Zealand, therefore, has actually been in force less than six months.

New Zealand, at the time of accepting Mutual Aid, indicated her desire to retain as much trade as possible in ordinary commercial channels. We indicated that this policy was very acceptable to Canada. The Mutual Aid

[328]Voir Canada, *Recueil des traités*, 1944, N° 18.
See Canada, *Treaty Series*, 1944, No. 18.

[329]Haut commissaire par intérim de Nouvelle-Zélande.
Acting High Commissioner of New Zealand.

Agreement was concluded with New Zealand more or less on the understanding that New Zealand's deficit of Canadian dollars could be conveniently covered by a number of large items such as the Air Training Plan, the supplying of the PB2B1 flying boats and a number of other items of a military character, including certain contracts placed through the Department of Munitions and Supply. It soon became evident, however, to the Canadian Mutual Aid Board Administration, from the number of varied requisitions being received from the New Zealand Supply Mission, that there had been a change of policy on the part of the New Zealand Government, and this was later confirmed. Instead of New Zealand confining her request for Mutual Aid to a number of outstanding large items, the Administration has been faced with trying to decide on a large number of small items as to whether they are are or are not eligible for Mutual Aid. The Canadian Mutual Aid Board, while pointing out to the New Zealand Government this changed policy, has nevertheless every wish to treat New Zealand on the same basis as Australia and to the extent of New Zealand's deficit in its balance of payments with Canada. The items supplied, however, have to be eligible under the definition "war supplies" and some difficulty has been experienced in this respect. Some of the items are part for direct war, part indirect war and part essential civilian.

Mutual Aid is taking over the New Zealand contracts which the New Zealand Government had placed with the Department of Munitions and Supply as of July 1, 1944. These contracts run to well over $1,000,000 (see first item on enclosure I).[†] The question may arise as to whether Mutual Aid intends to reimburse the New Zealand Government for payments which have been made subsequent to July 1st and which would not have been paid if it had been possible to take the contracts over immediately. The answer to this question is "yes" and the sum involved is approximately $79,000.

New Zealand was somewhat disappointed when the Canadian Mutual Aid Board did not take over the large amount which was owing as her share of the Air Training Plan prior to July 1, 1944, but the Chairman of the Canadian Mutual Aid Board felt that, in taking over the payment for the Air Training Plan services, this payment should be dated from the Mutual Aid Agreement, namely, July 1st. This means in effect that New Zealand will receive services valued at not much more than $385,000, instead of several millions.

The attached statement[†] which we prepared some time ago indicates that New Zealand will have an estimated deficit of $10,000,000 as of March 31, 1945 apart from the New Zealand Air contracts, the Air Training Plan and our supplying of the PB2B1 aircraft, the total of which amounted to some $12,000,000 or making a total deficit of Canadian dollars of some $22,000,000.

In an effort to keep many of the border-line type of items in commercial channels, we are still endeavouring to confine Mutual Aid to New Zealand to large items which will have the same effect of meeting the deficit of Canadian dollars but will retain in commercial channels many products for comparatively small amounts and which are sometimes difficult to justify in their entirety as war supplies and involve decisions on a great number of small items.

Wheat and Flour and other cereals have been made available to a number of countries receiving Mutual Aid and there is every reason to believe that the Canadian Mutual Aid Board would approve of Wheat and Barley, for example, to New Zealand under Mutual Aid.

We are paying the ocean freight on Mutual Aid goods to New Zealand, when transported on Canadian ships.

We have no form of reverse Mutual Aid in force at the present time although reverse Lend-Lease by New Zealand to the United States amounts to a very considerable item.

Yours very truly,

SECTION H

APPROVISIONNEMENTS POUR L'UNION SOVIÉTIQUE
SUPPLIES FOR SOVIET UNION

572. DEA/4929-V-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, February 9, 1944

I attach for our approval a letter addressed to Mr. Tounkin[330] which is to be used to cover the transmission to him of the completed Mutual Aid Agreement with the U.S.S.R. The purpose of this letter is to inform the Soviet Government that we consider it most unlikely that we will ever ask them at the end of the war to transfer back to ourselves or to an international relief agency aircraft, automotive equipment, etc., in the circumstances contemplated in Article VIII. From the first the Russians have been told, with the authority of the Mutual Aid Board, that this Article really had no application in their case. It has been inserted in the Agreement partly because we might want to use this procedure in the case of some of the supplies given to the United Kingdom and partly for political reasons to avoid too strong a contrast between our procedure and that of the United States. The United States can demand at the end of the war the return of everything still in existence which they have provided under Lease-Lend.

We had great difficulty in persuading the Russians to sign the Agreement containing this Article. They pressed very hard either for its deletion or for our nullifying it by an exchange of notes promising never to use the procedure in their case. Its deletion from the Soviet Agreement, however, would probably necessitate its deletion from all the agreements with other countries, and the

[330] Voir le document 574.
See Document 574.

Mutual Aid Board felt that its nullification by an exchange of notes would be not altogether honest. The Russians, therefore, eventually agreed to accept the Article on the understanding that we would give them formally a statement, which had repeatedly been given to them informally, to the effect that we considered it most unlikely that we would ever use the Article in their case.

This is not in the least dangerous, as I can imagine no circumstances in which we would want to try to recapture equipment of the types mentioned delivered to Russia. Incidentally, they have received scarcely any equipment from us of these types as we have provided them with no aircraft, motor trucks or ordnance under Mutual Aid. They have only got from us some special forms of automotive equipment, chiefly mobile machine shops and bren gun carriers, and we are certain to have far more of these in our own Army stores at the end of the war then we can possibly use.

N. A. R[OBERTSON]

573. DEA/4929-V-40

Le chargé d'affaires de l'Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires of Soviet Union to Secretary of State for External Affairs

No. 19 Ottawa, February 10, 1944

Sir,

In accordance with the recommendation of the Legal Division of the Department of External Affairs I have the honour to forward the decision of the Council of People's Commissars of the Union of Soviet Socialist Republics authorizing Mr. V. A. Sergeev and myself to sign on behalf of the Government of the U.S.S.R. the Agreement on the principles applying to the provision of Canadian War Supplies to the Union of Soviet Socialist Republics.

Text of the decision of the Council of People's Commissars is as follows:

"The Council of People's Commissars of the Union of Soviet Socialist Republics has decided to authorize Mr. V. A. Sergeev, Deputy People's Commissar for Foreign Trade of the U.S.S.R. and Mr. G. I. Tounkin, Chargé d'Affaires of the U.S.S.R. in Canada to sign on behalf of the Government of the Union of Soviet Socialist Republics "The Agreement between the Government of Canada and the Government of the Union of Soviet Socialist Republics on the principles applying to the provision by Canada of Canadian

war supplies to the Union of Soviet Socialist Republics under the War Appropriation (United Nations Mutual Aid) Act of Canada of 1943."

Signed—V. Molotov
Deputy Chairman of the Council
of People's Commissars of the USSR
Y. Chaadaev
General Manager of the Council
of People's Commissars of the
USSR."

I understand that this Note covers the formalities pertaining to signing of the Agreement.

Accept etc.

G. TOUNKIN

574. DEA/4929-V-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires de l'Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires of Soviet Union

No. 8 Ottawa, February 11, 1944

Sir,

I have the honour to transmit to you, herewith, the signed original Agreement, dated Feburary 11th, between the Government of Canada and the Government of the Union of Soviet Socialist Republics on the principles applying to the provision by Canada of Canadian war supplies to the Soviet Union under the Canadian Mutual Aid Act.[331] It was explained to you during the negotiation of the Agreement that it was the policy of the Government of Canada to conclude similar agreements, which would be as far as possible in identical form, with all the Governments which are receiving war supplies from Canada in any volume under the Mutual Aid Act. In this connection the Government of Canada considers it most unlikely that they would make any request to the Government of the Union of Soviet Socialist Republics under Article VIII of the Agreement for the re-delivery on the cessation of hostilities of any supplies in the circumstances contemplated in that Article.

I should be glad if you would convey to the Soviet Government the satisfaction of the Canadian Government over the signature of this Agreement, which is further evidence of the desire of both countries to collaborate as fully as possible towards bringing about the defeat of the common enemy.

Accept etc.

W. L. MACKENZIE KING

[331] Voir Canada, *Recueil des traités*, 1944, N° 4.
See Canada, *Treaty Series*, 1944, No. 4.

575. DEA/4929-V-40

Le chargé d'affaires de l'Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires of Soviet Union to Secretary of State for External Affairs

No. 21 Ottawa, February 14, 1944

Sir,

I have the honour to acknowledge the receipt of your Note No. 8 of February 11th, 1944, accompanying the signed original Agreement, dated February 11th, between the Government of Canada and the Government of the Union of Soviet Socialist Republics on the principles applying to the provision by Canada of Canadian war supplies to the Soviet Union under the Canadian Mutual Aid Act.

I have duly noted that the Government of Canada considers it most unlikely that they would make any request to the Government of the Union of Soviet Socialist Republics under Article VIII of the Agreement for the re-delivery on the cessation of hostilities of any supplies in the circumstances contemplated in that Article.

It was a great pleasure for me to convey to my Government the satisfaction of the Canadian Government over the signature of this Agreement which, I am sure, is fully shared by the Government of the U.S.S.R.

I feel [it] appropriate to say that the Soviet Government highly appreciates the help which Canada renders to the Union of Soviet Socialist Republics in its struggle against the common enemy by sending war supplies to the Soviet Union.

I believe that the present Agreement will contribute to further strengthening of friendly relations between the Soviet Union and Canada and to the development of trade relations between our two countries in future.

Accept etc.

G. TOUNKIN

576. DEA/158-B-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 1261 Washington, May 22, 1944

SECRET

Sir,

I have the honour to enclose copy of letter from Brigadier-General John Y. York, Acting Executive of the President's Soviet Protocol Committee, to the Canadian Secretary of the Joint War Aid Committee, enclosing the initial U.S. draft of the proposed Fourth Soviet Protocol.[+]

2. You will note that our prompt comments including any amendments which we consider necessary or desirable, have been requested in order that agreement on the final text may be reached as soon as possible.

3. The same draft is being submitted to London today by the British authorities in Washington, and in due course, I hope to be able to report on the nature of the reply.

I have etc.

L. B. PEARSON
For the Ambassador

577. DEA/158-B-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

DESPATCH 933 Ottawa, June 23, 1944

Sir,

Replying to your despatch No. 1261 of May 22nd, on the subject of the Fourth Soviet Protocol, the Mutual Aid Board, at its meeting on June 22nd, approved of the following alternative wording for paragraph 3, Article IV:

"The financial arrangements between the Government of the Union of Soviet Socialist Republics on the one hand and the Government of Canada on the other in connection with the supplies to be furnished by the Government of Canada in pursuance of the present Protocol shall be in accordance with the terms and conditions of the Mutual Aid Agreement of Feburary 11, 1944, between the two governments for such supplies as the Government of Canada may authorize under Articles I and III thereof, and for other supplies shall be in accordance with the terms and conditions of special agreements or understandings between the two governments."

Will you please advise the Canadian Secretary of the Joint War Aid Committee so that he may in turn inform Brigadier General York, the Acting Executive of the President's Soviet Protocol Committee?

The Board gave its general approval to the draft of the Fourth Protocol proposed by the United States authorities with the substitution of the paragraph quoted above. Before, however, the United States authorities are informed that we agree with their draft it would be desirable to examine any changes which the United Kingdom Government may propose. At present, perhaps all that should be done is for the Canadian Secretary of the Joint War

Aid Committee to notify Brigadier General York that we desire this particular change to be made in the draft and would like to have an opportunity of learning the views of the United Kingdom Government before approving the amendments to the language of the Third Protocol which he has suggested.

I have etc.

H. H. WRONG

578. DEA/158-B-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 1803 Washington, July 24, 1944

SECRET

Sir,

With reference to your despatch No. 933 I have to advise that your revised wording for paragraph three of Article IV of the Preamble to the Fourth Soviet Protocol was duly transmitted to Brigadier General York, Acting Executive of the President's Soviet Protocol Committee. Copy of his acknowledgment is enclosed. The text was transmitted concurrently to the British Supply Council.

2. Mr. Allen has been handed the enclosed draft text of the U.K. Preamble[+] which, in general, conforms to the United States draft except for certain additions which are underlined. This draft has been transmitted to the President's Soviet Protocol Committee for their comments. Mr. R. B. Stevens of the British Supply Council in handing the United Kingdom draft to Mr. Allen mentioned that they expected the Russians would object to the refinement proposed in the first paragraph. He felt, however, that this difficulty would have to be met when it arose following submission of the Protocol in draft to the Soviet authorities.

3. So far no definite date has been set for the completion of the schedules and agreement by the three supplying countries on the text of the Protocol due in part, to delays in submission by London of lists of industrial materials etc. to complete their schedules. In addition, it is rumoured that United States agencies have not yet decided how to treat certain industrial items requested by the Russians which will obviously not be completed and shipped before the end of June, 1945. At present the United States are regarding requirements which cannot be produced, shipped and installed in Russia within eighteen months as ineligible for Lend-Lease. Special financial arrangements other than Lend-Lease, to take care of orders which will fall into this category, have to be considered.

4. It has been suggested to us informally by British and American officials in Washington that the Fourth Protocol might well be signed in Ottawa. On the assumption that this suggestion will meet with your approval we have

intimated that such an arrangement would be welcomed by the Canadian government.

5. If you have any comments to make on the United Kingdom draft, which, you will note, does not incorporate the alternative Canadian financial clause given in your despatch No.933 of June 23rd, I shall be glad to have them.

I have etc.

L. B. PEARSON
For the Ambassador

[PIÈCE JOINTE/ENCLOSURE]

L'administrateur par intérim, le comité du Président sur le protocole soviétique, au secrétaire, le comité consultatif de Washington, la Commission d'aide mutuelle

Acting Executive, President's Soviet Protocol Committee, to Secretary, Washington Advisory Committee, Mutual Aid Board

Washington, July 10, 1944

My dear Mr. Allen,

I am in receipt of your letter of 27 June 1944,† in which you request the substitution of revised text for paragraph three of Article IV of the Preamble to the proposed Fourth Soviet Protocol.

The text as suggested by you meets with the approval of the President's Soviet Protocol Committee and will be incorporated into the Preamble.

Sincerely yours,

JOHN Y. YORK, JR.
Brigadier General, U.S. Army

579. DEA/158-B-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, July 31, 1944

Negotiation of the Fourth Soviet Protocol is nearly concluded, and it should be ready for signature toward the end of August. You will recall that the First Protocol was signed in Moscow, the Second in Washington and the Third (the first to which Canada was a direct party) in London.[332] It has been suggested that the Fourth Protocol might appropriately be signed in Ottawa by representatives of the U.S.S.R., the United States, the United Kingdom and

[332] Pour le troisième protocole, voir le volume 9, document 398.
For the Third Protocol, see Volume 9, Document 398.

Canada. Presumably, you and Mr. Howe, who have signed each of the Mutual Aid Agreements, would sign the Protocol, if its signature takes place in Ottawa.

I understand that the signature could probably be arranged to take place in Ottawa, if the Canadian Government indicated that it desired this procedure. Shall I instruct our Embassy in Washington to take the question up with the United Kingdom and the United States in this sense?[333]

580. DEA/158-B-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-334 Ottawa, August 12, 1944

Your despatch No. 1803 of July 24th, subject preamble of Fourth Soviet Protocol.

1. Either the United States or the United Kingdom draft is acceptable to the Mutual Aid Board provided the alternative Canadian financial clause given in our despatch No. 933 of June 23rd is incorporated.

2. Fraser will send Allen the schedule of supplies for discussion with Joint War Aid Committee.

581. DEA/158-B-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3605 Ottawa, August 29, 1944

Your despatch No. 1964 of August 12th.† Fourth Soviet Protocol. It is agreeable to the Canadian Government that the Fourth Protocol should be signed in Ottawa. I am doubtful, however, about your suggestion that an official approach should be made to the United States and United Kingdom Governments on this matter. I think that you might now, however, informally tell the United States authorities concerned and the British Embassy or British Supply Council that we feel that it would be appropriate for the Protocol to be signed here since the first three Protocols were signed in Moscow, Washington and London respectively.

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[333] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
I am agreeable if you deem this essential, and think anything is to be gained by it which probably would be the case. W. L. M[ACKENZIE] K[ING] 11-8-44.

582. DEA/158-B-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3710 Ottawa, September 5, 1944

Your messages WA-5165† and 5167,† Fourth Soviet Protocol. The draft quoted in your 5167 is acceptable to us. Please advise manner in which U.S. and U.K. Governments propose to communicate it to the Soviet authorities. We should, of course, submit it ourselves simultaneously (or if they intend to do it jointly we should be associated with them).

2. We have been informed by U.K. High Commissioner, with reference to informal discussions in Washington, that the U.K. authorities would be entirely agreeable to the suggestion that the Fourth Protocol should be signed in Ottawa. They enquire whether we propose "to make the necessary approach to the Americans and Russians with a view to obtaining the general concurrence of the other signatories." Have you taken up this question with the U.S. authorities since receipt of my EX-3605 of August 29th and has it arisen in the course of any discussions between the Canadian and Soviet Embassies?

583. DEA/158-B-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-5234 Washington, September 6, 1944

IMMEDIATE. SECRET. Following from Scott, Begins: Your EX-3710 of September 5th, Fourth Soviet Protocol draft preamble given in my WA-5167 of September 4th† now agreed and we have notified British and United States of our own acceptance.

Proposed action on United States side now is to transmit preamble to Russians "for comment" through usual[334] channels in the submission of their schedules, i.e., under cover of letter from the President Soviet Protocol Committee to the Chairman of the Soviet Government Purchasing Commission. There is, therefore, to be no formal transmission of the document at this stage. Suggested date for simultaneous action Washington, Ottawa and London is for the proposed preamble to reach the Russians not earlier than Saturday, September 9th. London has not yet reported on this proposal which for your and their convenience we had set back from tomorrow. Will advise

[334]Ceci fut remplacé plus tard par les mots «the same.»
This was later replaced by the words "the same."

further Thursday a.m. regarding this date and text of United States letter of transmittal.

It should be noted as reported in my WA-5001 of August 25th† that the United States have already submitted their schedules and it may be that you will now wish to transmit the schedule with the preamble. Ends.

584. DEA/158-B-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-5290 Washington, September 9, 1944

IMMEDIATE. SECRET. Your EX-3757 of September 8th†—Fourth Soviet Protocol.

1. As reported via McCrimmon[335] late yesterday, we have now agreed with United States authorities not to submit Protocol preamble until Monday. They were unable to arrange delivery today, and we thought you would welcome the extra time to enable you to prepare the schedules.

2. British are not now expecting anything from London as in absence of reply it is assumed that action being taken to provide Russians in London with text of preamble with or without United Kingdom schedules.

3. Fraser has sent Allen direct draft of preamble to schedules† which has been cleared here with one minor modification of which former has been advised. It would be appreciated if you would send me next week six copies of the schedules including preamble plus copy of letter of transmittal.

4. Your proposal to raise informally with the Russians the question of signature of the Protocol in Ottawa is appropriate. We have not discussed with them here. British and Americans have been told such action is being taken by you and they concur.

585. DEA/158-B-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires aux États-Unis

Secretary of State for External Affairs to Chargé d'Affaires in United States

TELETYPE EX-3790 Ottawa, September 11, 1944

SECRET. Your WA-5290 of September 9th. Fourth Soviet Protocol. The text of the agreed draft preamble has been sent to the Soviet Ambassador today under cover of the following letter:

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[335] L'adjoint du directeur, la Commission d'aide mutuelle.
Assistant to Director, Mutual Aid Board.

Dear Mr. Ambassador,

I enclose a copy of the preamble to the proposed Fourth Protocol between your Government and the Governments of the United States, the United Kingdom and Canada. I understand that the Governments of the United States and the United Kingdom are also transmitting the enclosed text today to the Soviet representatives in Washington and in London.

I had hoped to be able to send you at the same time the Schedule of offerings by Canada to be attached to the Protocol but this is not yet entirely completed. I expect to forward it to you within a day or two.

It has been suggested that it would be appropriate if the Fourth Protocol were to be signed in Ottawa since the first three Protocols have been signed respectively in Moscow, Washington and London. The signature of the Fourth Protocol in Ottawa would be entirely welcome to the Canadian Government and I should be glad to learn whether the Soviet authorities concur in this suggestion.

Yours sincerely,

We expect to be able to forward the Canadian Schedule to Mr. Zarubin tomorrow or at latest by Wednesday.

586. DEA/158-B-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-5402 Washington, September 15, 1944

SECRET. Further your teletype EX-3710, September 5th, signature of Fourth Russian Protocol at Ottawa:

Hickerson informs me that he sent Pearson's informal letter† to Acheson with a note expressing hope that United States would accede to our wishes.

Just before leaving for Montreal yesterday, Acheson returned the correspondence to Hickerson with a note stating that he would favour signature at Ottawa but is inclined to believe that the Soviet authorities will press for signature at Moscow. Hickerson personally has not heard of any movement in this direction, perhaps Pearson might follow up with Acheson in Montreal.[116]

Ben Smith of British Supply Council has replied to Pearson as follows, Begins:

"I entirely agree with you that it would be appropriate that the Protocol should be signed in Ottawa this year. For your own information, we understood that both the Canadian Mutual Aid Board and the President's Soviet Protocol Committee were of the informal opinion that it would be logical that this year's

[116] Les deux étaient alors à Montréal pour participer à la deuxième session du Conseil d'UNRRA. Both were then in Montreal to participate in the Second Session of the UNRRA Council.

ceremony should take place in Canada and we reported to London to this effect with a view to eliciting their views. I understand that they have now indicated that they would favour the proposal assuming that the Canadian Government wished to put it forward and that in that event the Canadian Government would no doubt suggest Ottawa to the other signatories. In these circumstances I do not think that it is necessary for me to obtain any further confirmation of London's views in order to answer your letter."" Ends.

587. DEA/158-B-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3925 Ottawa, September 21, 1944

SECRET. Further to your WA-5402 September 15th, signing of Fourth Soviet Protocol at Ottawa.

The Soviet Ambassador has to-day advised us that his Government has no objection to the signing of the proposed Protocol at Ottawa on condition that all of the participants to the Protocol agree.

We consider that your teletype WA-5402 records agreement by the other participants and we propose advising the Soviet Ambassador accordingly. Please confirm.

588. DEA/158-B-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5502 Washington, September 12, 1944

IMMEDIATE. SECRET. Your EX-3925, September 21st, signing of Fourth Soviet Protocol at Ottawa. Mahoney has confirmed with Hickerson that State Department agree to signing at Ottawa.

2. Ben Smith is attending conference at Montreal. However, his letter of September 8th to Pearson, quoted [in] our teletype WA-5402, September 15th, indicates that authorities mentioned [in] his letter have agreed that this year's ceremony should take place at Ottawa.

589. DEA/158-B-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6969 Washington, December 14, 1944

IMMEDIATE. SECRET. Following for H. H. Wrong from L. B. Pearson, Begins: Re Fourth Soviet Protocol. Martin, United States Secretary of the Joint War Aid Committee, has reported that Protocol on United States side has reached the stage where they are lining it up for signature. We gather that they would like to have the Protocol in shape for signature by the end of this month at the latest although they hope to be in a position to sign the week after next. The trend of the thinking however, is that if the United Kingdom and Canada do not receive definite replies from the Russians shortly, the United States would prefer to sign a unilateral Protocol in order to avoid endless negotiations.

United States have informally taken the same attitude with the British authorities. The British here have had nothing from the United Kingdom recently either as to the Russian reaction to their offers or in regard to progress in their financial negotiations. Meanwhile, shipments of necessary items are continuing without hindrance from the United Kingdom. British have asked us in order that they may inform London, what our attitude would be in the event of our not hearing from the Russians before the end of the month. May I please have an early reply on this point and an indication of the present status of the Russian reply to the Canadian offerings? Ends.

590. DEA/158-B-40

Le sous-secrétaire d'État associé aux Affaires extérieures au ministre des Munitions et des Approvisionnements

Associate Under-Secretary of State for External Affairs to Minister of Munitions and Supply

SECRET Ottawa, December 15, 1944

Dear Mr. Howe,

May I have your views on the reply which should be sent to the attached secret and immediate message from the Canadian Embassy in Washington concerning the Fourth Soviet Protocol? The position seems to be that the Americans are nearly ready to sign, that the British have never received the Soviet reply to their offerings and have not finished their financial negotiations, and that we, not having received a Soviet reply, are not yet able to put our schedule into shape for signature. Since we have been shipping supplies to Russia for five and a half months which are intended for inclusion in the Fourth Protocol the position is irregular and disturbing.

I have checked the main dates in the negotiations. We received the Russian request for supplies from Canada on April 21st[+] and the Americans and British, I think, got their requests at about the same time or a little earlier. After the supply possibilities had been canvassed between the supplying countries all three communicated to the Russians the draft for the body of the Protocol on September 11th. We communicated our own offerings on September 16th and the British and Americans took similar action about the same time. The Russians made known to the Americans their selection from the American offerings some time between November 1st and 6th. Neither the British nor ourselves, however, have yet heard from them as to their selections.

I do not much like the idea of a separate U.S.-Soviet Protocol which is being informally canvassed in Washington. I think that we should do our best to stick to the tripartite arrangements and to have them concluded as soon as possible. Do you think that we should take this line with both the Americans and the British?

Of course there is some advantage from the point of view of the supplying countries in not having any Protocol with the Russians at all at this stage of the war. Fundamentally the Protocol is a promise by the supplying countries that subject to the conditions stated in it they will deliver specified supplies during the period of one year. Without it the Americans, the British and ourselves could continue to supply the Russians under Lend-Lease and Mutual Aid and none of them would have the extra commitment contained in the Protocol added to their regular machinery for furnishing supplies to other belligerent countries. Especially in view of the uncertainties of the next few months and of the fact that almost half of the Protocol year is gone, I think that we could well drop the idea of having a Protocol at all if one condition were met. That condition would be that the Americans and British take the same line. It would, however, be most unfortunate if there were a U.S.-Soviet Protocol and no supply agreement between the Russians and the other two countries.

Yours sincerely,

H. H. WRONG

591. C.D.H./Vol. 2

Le directeur de l'administration, la Commission d'aide mutuelle, au président, la Commission d'aide mutuelle

Director of Administration, Mutual Aid Board, to Chairman, Mutual Aid Board

Ottawa, December 16, 1944

Re Mr. Wrong's memorandum to you of December 15th referring to the Fourth Russian Protocol.

We agree with Mr. Wrong's suggestions; from the background standpoint the purpose of the Russian Protocol, as you well know, was to secure for Russia pre-assignment of their military needs. The need for this pre-assignment procedure would seem to have passed, and from our way of thinking as long as

the three countries followed the same procedure there should be no objection from our standpoint of dropping the Protocol. However, I think that the situation should be summed up as follows:

(1) That if the United States wish to sign the Protocol under pressure from the U.S.S.R. that it should be a joint Protocol as heretofore.

(2) We might suggest to the United States that we dispense with the Protocol procedure, but in either case, for your consideration I would recommend that the three countries follow similar practice.

Mr. Wrong has asked us to endeavour to get a reply to him on Monday as he has telegraphed Washington that he hopes to have a reply ready by Monday of next week.

KARL C. FRASER

592. DEA/158-B-40

Le ministre des Munitions et des Approvisionnements au sous-secrétaire d'État associé aux Affaires extérieures

Minister of Munitions and Supply to Associate Under-Secretary of State for External Affairs

SECRET Ottawa, December 18, 1944

Dear Mr. Wrong,

I have your letter of December 15th, enclosing Secret and immediate message from the Canadian Embassy in Washington concerning the Fourth Soviet Protocol.

I agree that it would be most unfortunate if there were a U.S.-Soviet Protocol and no supply agreement between the Russians and the other two countries. Our three countries have agreed to act together in supplying Russian requirements, and it seems important that we take similar action in the matter of the Fourth Protocol.

I would have no objection to supplying Russia under our standard Mutual Aid agreement and without the Protocol, provided the U.S. and the U.K. would do the same. Unless we can get an agreement that Russia will purchase goods in process in the event that Russia no longer qualifies for Mutual Aid, there may be some advantage in such procedure.

In any event, I would take the line with the U.S. and the U.K. that the three countries should keep to a common procedure, whatever it may be.

Yours sincerely,

C. D. HOWE

593. DEA/158-B-40

L'ambassadeur de l'Union soviétique au sous-secrétaire d'État aux Affaires extérieures (traduction)

Ambassador of Soviet Union to Secretary of State for External Affairs (translation)

Ottawa, January 5, 1945

Dear Mr. Robertson,

In connection with the offerings of the Government of Canada under the Fourth Protocol, which were handed to me as a supplement to the letter of the Department of External Affairs of September 11, 1944[337], I have the honour, on the instructions of the Soviet Government, to inform you of the following:

The Soviet Government duly appreciates the assistance which Canada is rendering to the Soviet Union in the cause of waging war against the common enemy, by providing military supplies, equipment, raw materials and foodstuffs on the basis of the United Nations Mutual Aid Act.

In these efforts of Canada the Soviet Union sees an acknowledgment of the great significance of the contribution which the Soviet Union is making to the struggle for the defeat of the common enemy.

In submitting to you the attached proposals† con- cerning the programme of supplies under the Fourth Protocol, I wish to state that the Soviet Government agrees with the offerings of the Government of Canada, with the exception that (in the Soviet proposals) the scale of supplies of foodstuffs is somewhat reduced in proportion to the scale of commitments accepted by the Government of the United States regarding the allocation of shipping tonnage under the Fourth Protocol.

In connection with the above, the total programme of listed supplies is set at 476 thousand short tons, including the programme of shipments to the amount of 356 thousand short tons and the unshipped balance of supplies to the amount of 120 thousand short tons.

Basing itself, however, upon the statement of the United States Government that the quantity of shipping tonnage specified by them is considered a minimum and that the United States Government admits the possibility of this minimum being exceeded, the Soviet Government is counting upon obtaining additional shipping tonnage for transporting from Canada to the Soviet Union the total quantity of foodstuffs offered by the Government of Canada.

Enclosure: Proposals of the Soviet Government regarding the programme of supplies under the Fourth Protocol.

Yours sincerely,

G. ZAROUBIN

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[337] Voir le document 585.
See Document 585.

594. DEA/158-B-40

Le président, la Commission d'aide mutuelle, au sous-secrétaire d'État aux Affaires extérieures

Chairman, Mutual Aid Board, to Under-Secretary of State for External Affairs

Ottawa, January 16, 1945

Dear Mr. Robertson,

I wish to acknowledge your letter of January 10th,† enclosing a copy of a letter of transmittal and schedule of supplies† from the Soviet Ambassador, dated January 5th, on the subject of the acceptance of the Canadian offer of certain supplies from Canada to be made available to the U.S.S.R. under the Fourth Protocol.

I note that, with the exception of foodstuffs, the Soviet Government has reduced our offer of 300,000 tons of Wheat, Flour and Cereals to 215,000 tons because of the shortage of shipping space, but reserve the right to request up to the 300,000 tons if additional shipping tonnage becomes available. I question the desirability of carrying into the Fourth Protocol Canadian schedule commodities undertaken but not delivered within the period of the Third Protocol. If we included these items in the Fourth Protocol schedule it might lead to confusion, and we might be faced with a demand for these items if they appeared in the Third Protocol and the unshipped portion re-appeared in the Fourth Protocol. Accordingly I have had a schedule prepared which could form the basis for the Fourth Protocol. This schedule includes only items not included in the schedule of the Third Protocol and has been compiled on the basis of our offers and the Soviet Government's acceptance, plus certain additional items which have been requested by the Soviet authorities since our original offer and accepted by the Mutual Aid Board.

I am aware that many of the items requested under the Fourth Protocol have already been shipped and that most of the Soviet Government requirements for Industrial Equipment (Fourth Protocol) are held in abeyance pending some decision from the Soviet Government in regard to financial arrangements to which they have not referred in their letter of acceptance. With seven months of the Protocol now completed, and requisitions for the major part of the Industrial Equipment not yet placed, you will appreciate that it becomes doubtful if any large portion of the Industrial Equipment requested would be available by the end of this Protocol year even if immediate acceptance of the financial guarantee requested is received. Therefore formal signing of a Protocol, in view of the above situation, would seem to be somewhat of an empty gesture, but, as stated in my letter to you of December 18th, I believe that a common policy should be adopted by the United States, the United Kingdom and Canada.

Yours very truly,

C. D. HOWE

595. DEA/158-B-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH 147 Ottawa, January 31, 1945

SECRET

Sir,

Attached please find six copies of the Canadian schedule of supplies to the Soviets under the Fourth Protocol. As we advised you in our teletype EX-362 of to-day's date,[†] these replace the schedule forwarded you September 18. Would you please give copies to the United Kingdom and United States authorities.

Some slight changes have been made in the introductory matter due to the fact that we are no longer treating the carry-over from the Third Protocol as a separate schedule. You will see too that many changes have been made in the list of supplies. These changes are the result of discussions which have taken place between the Mutual Aid Board and the Soviet authorities since the first list was drawn up.

We attach too for your records copy of a letter of January 16, from Mr. Howe to Mr. Robertson. Mr. Fraser advised us this morning that the Russians have to-day indicated to him that they will purchase the undelivered quantities of industrial equipment on the cessation of hostilities at terms to be agreed upon by the two Governments; the price to be the cost to the Mutual Aid Board.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

596. DEA/158-B-40

L'ambassadeur aux États-Unis au secrétaire d'État
aux Affaires extérieures

Ambassador in United States to Secretary of State
for External Affairs

TELETYPE WA-674 Washington, February 7, 1945

IMMEDIATE. Your EX-408 of February 5th,[†] Fourth Soviet Protocol. Your despatch No. 147 of January 31st, enclosing final Canadian schedule, received, which is being transmitted to-day to both the United States and United Kingdom authorities.

2. We have taken the liberty of revising figure for nickel to original offer of 2,740 short tons to conform to United States practice. United States schedule submitted to you with my despatch No. 273 of February 5th,† page 45, shows offer by United States of 5,480 tons. To correspond, our figure should be one-half of this amount, although bonus shipments over and above joint supply by United States and Canada of 8,220 tons are being made on a quarterly basis, in accordance with fluctuating supply position. Revision of this figure will avoid impression that we are treating Russians better than the United States, although in view of actual performance in shipment of nickel, it is admitted here [that] this point is rather an academic one.

Trust, however, [that] this change has your approval.

597. **DEA**

Quatrième protocole entre l'Union des republiques socialistes soviétiques et les États-Unis, le Royaume-Uni et le Canada pour la période du 1er juillet 1944 au 30 juin 1945

Fourth Protocol between the Union of Soviet Socialist Republics and the United States, United Kingdom and Canada for the period July 1, 1944, to June 30, 1945

The Government of the United States, the Government of the United Kingdom and the Government of Canada recognizing the outstanding contribution of the Union of Soviet Socialist Republics in the prosecution of the war against the common enemy, and desiring to continue to provide the Government of the Union of Soviet Socialist Republics with the maximum assistance possible in meeting its war needs in the form of military supplies, raw materials, industrial equipment and food, and the Government of the Union of Soviet Socialist Republics desiring to assist the Governments of the United States, the United Kingdom and Canada in meeting their war needs for raw materials and other supplies, have agreed as follows:

ARTICLE I

The Governments of the United States, the United Kingdom and Canada, undertake to make available for dispatch to the Government of the Union of Soviet Socialist Republics the supplies mentioned in the schedules annexed hereto under the conditions stated therein.[338]

ARTICLE II

The Governments of the United States and the United Kingdom will aid in the movement of the supplies offered, by furnishing shipping as set forth in the schedules annexed hereto, it being understood that these commitments as to shipping may be reduced if shipping losses, lack of escorts, deficiencies in the

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[338] Pour les programmes des États-Unis et de la Grande-Bretagne, voir États-Unis, département d'État, *Soviet Supply Protocols*, Washington, U.S. Government Printing Office, pp. 92-154.
For the schedules of the United States and Great Britain see United States, Department of State, *Soviet Supply Protocols*, Washington, U.S. Government Office, pp. 92-154.

anticipated capacity of the available routes, the necessities of other operations, or the exigencies of the situation render their fulfillment impracticable.

ARTICLE III

The Government of the Union of Soviet Socialist Republics undertakes to make available to the Governments of the United States, the United Kingdom and Canada, within the period covered by the present Protocol, such raw materials, other supplies and services as may be available and as are desired by said Governments in the prosecution of the war.

ARTICLE IV

The financial arrangements concluded between the Government of the Union of Soviet Socialist Republics and the Government of the United States in connection with supplies furnished in pursuance of the present Protocol may be in accordance with the terms and conditions of the Master Lend-Lease Agreement of June 11, 1942, and with the terms and conditions of any amendment to said agreement which may hereafter be concluded by mutual agreement or the Government of the Union of Soviet Socialist Republics may elect to purchase from the United States schedules of supplies for cash.

The financial arrangements between the Government of the Union of Soviet Socialist Republics and the Government of Canada in connection with the supplies to be furnished by the Government of Canada in pursuance of the present Protocol shall be in accordance with the terms and conditions of the Mutual Aid Agreement of February 11, 1944, between the two Governments for such supplies as the Government of Canada may authorize under Articles I and III thereof, and for other supplies shall be in accordance with the terms and conditions of special agreements or understandings between the two Governments.

The financial arrangements under which supplies will be furnished by the Government of the United Kingdom to the Government of the Union of Soviet Socialist Republics in pursuance of this Protocol, shall be in accordance with the terms and conditions of the cash-credit agreement of the 16th August 1941, for civil supplies, and the agreement of the 27th June 1942, governing military supplies, or with the terms and conditions of any amendments to the said two agreements which may hereafter be concluded by mutual consent.

ARTICLE V

The lists of supplies in the schedules annexed hereto shall be subject to reallocation among the three supplying countries as they may decide among themselves in order to meet strategic, supply, or shipping exigencies. The lists of supplies shall also be subject to review and variation by the three supplying countries in the event of major changes in the war situation. If shipping losses, production failures, or the necessities of other operations render the fulfillment of the schedules prohibitive, it may be necessary to reduce them or to make diversions therefrom. On the other hand, if conditions permit, the Governments of the United States, the United Kingdom and Canada, will be glad to review

the schedules from time to time for the purpose of increasing the quantities to be provided and delivered.

In witness whereof the undersigned, duly authorized by their respective Governments, have signed the present Protocol.

Done in Ottawa in quadruplicate on the 17th day of April, 1945, in the English language.

For the Government of the United States of America:

RAY ATHERTON

For the Government of the United Kingdom of Great Britain and Northern Ireland:

MALCOLM MACDONALD

For the Government of Canada:

W. L. MACKENZIE KING
J. L. ILSLEY

For the Government of the Union of Soviet Socialist Republics:

G. ZAROUBIN

CANADIAN SCHEDULE OF SUPPLIES

Subject to the provisions of this Protocol, the Canadian Government offers in the following Schedule, for shipment during period July 1, 1944 to June 30, 1945, supplies totalling approximately 490,000 short tons, shipping weight dry cargo. It will be necessary for the Government of the Union of Soviet Socialist Republics to select, for shipment during the Protocol period a program which, together with other supplies to be shipped from the Western Hemisphere, does not exceed the shipping capacity to be made available from this area. The items which comprise the unshipped balance of the Third Protocol, amounting to approximtely 100,000 short tons, are to be included in the selection.

It is appreciated that reasonable stockpiles of stores must be maintained, so that the Union of Soviet Socialist Republics can select cargo for shipment that is most needed to meet the ever-changing requirements of war. However, Canada reserves the right to limit the size of such individual stockpiles either by control of production or diversion of product, or both, when in its judgement such action is in the best interests of the common cause. In taking such action due consideration will be given to the expressed needs of the Union of Soviet Socialist Republics.

Except as specified, supplies for the Government of the Union of Soviet Socialist Republics from Canadian schedules will be made available as nearly as practicable in equal monthly instalments. The items in these schedules of supplies are offered subject to the ability of Canada to meet the specifications requested by the Union of Soviet Socialist Republics.

GROUP I—MILITARY

1. Lorries CZ2	5 units
2. Valentine Tank Spares	6 sets
3. Early Warning Radar Sets	5 units

4. Radar R.X.C. Spares	10 units
5. Radar Equipment CDX (R.E.X.)	5 units
6. I.F.F. Equipment for G.L. Mk. III	13 units
7. Explosives up to	10,662 short tons

Naval Equipment

1. Oxygen Producing Plants	20 units
2. Wooden Minesweepers	5 units

GROUP II—METALS, ETC.

1. Aluminum ingots	21,000 short tons
2. Duraluminum	
(a) Rods	680 short tons
(b) Tubes	120 short tons
3. Nickel	2,740 short tons
4. Ferro-tungsten	150 short tons
5. Zinc	5,000 short tons
6. Alloy Steel	16,159 short tons
7. Magnesium	1,000 short tons

GROUP III—RAILWAY EQUIPMENT

1. Flat Cars	1,000 units
2. Steel Rails	41,900 short tons

GROUP IV—INDUSTRIAL EQUIPMENT

1. Machine Tools	up to $ 7,000,000
2. Hammersmith's and Press Equipment	up to $ 4,000,000
3. Power and Electric Equipment	up to $21,000,000
4. Miscellaneous Equipment	up to $12,000,000

GROUP V—FOODSTUFFS

1. Wheat and Flour (minimum)	199,000 short tons
2. Soya Bean Flour	6,000 short tons
3. Rolled Oats	10,000 short tons
4. Lard	10,000 short tons

GROUP VI—SERVICES

1. Ship repairs and servicing of vessels (as approved by Canadian Mutual Aid Board from time to time)

Estimated Tonnage of Fourth Protocol	391,371 short tons
Unshipped Balance of Third Protocol (Estimated carry-over at June 30, 1944)	100,000 short tons
Total of the Estimates of Fourth Protocol Tonnage and of the Unshipped Tonnage of Third Protocol	491,371 short tons

598. C.D.H./Vol. 2

Le directeur général, bureau de Washington, ministère des Munitions et des Approvisionnements, au ministre des Munitions et des Approvisionnements

Director General, Washington Office, Department of Munitions and Supply, to Minister of Munitions and Supply

CONFIDENTIAL Washington, May 5, 1945

Dear Mr. Howe,

RE: FIFTH RUSSIAN PROTOCOL

As far as I can observe to date, I think it is doubtful if the U.S. will enter into a formal Fifth Russian Protocol. The matter has not yet been definitely decided and in the meantime the U.S. is doing nothing with the Russian requests received to date. These requests, sent in at the invitation of the U.S., cover raw material requirements, steel, non ferrous metals, etc., for the last six months of this year.

I believe that from now on all Russian requests will be much more carefully scrutinized and unless there is much more definite evidence than now exists that Russia will enter the Japanese War, offerings will be reduced to a minimum.

At the present time there is a very large volume of material to move under the Fourth Protocol. Some of this consists of equipment which is not scheduled for delivery until early in 1946. In view of the lack of any statement of Russia's intention in the Pacific Theatre, the U.S. does not want to put itself in the position of supplying goods and materials under Lease Lend for Russia's post-war program. This feeling, of course, is accentuated by the recent criticisms of the use of Lease Lend funds for financing post-war requirements, and in fact, this is probably the major factor behind the present U.S. attitude.

As far as Canada is concerned, I do not think that anything we do would embarrass the U.S. unless it happened to be in connection with supplies to Russia of certain scarce materials such as lead, nickel, copper, etc. In other words, as far as I can see, from now on, except for these scarce materials, they are not particularly concerned about our joint programming.

It is rather interesting to note that the present U.S. thinking is that in any event Russia's entry into the Pacific war might be of very little value. If Russia declared war on Japan and Japan were to seize Vladivostok, air fields available for use in Russia would then be as far or farther removed from Japan as the island bases which the U.S. now has or will obtain. It is also claimed that Russian troops would be dependent for supplies upon a 9,000 mile railway. This may not be as big a factor as stated to me because it is, of course, true that the railway has moved tremendous tonnages of supplies from Vladivostok and there seems to be very little accurate knowledge of the extent to which these Siberian railway facilities have been expanded.

As you know, the Russians requested a thirty-year loan of 6 billion dollars for reconversion and reconstruction. I understand that the Americans were prepared to meet this request at the interest rate of 2-3/8%, which the Russians refused to accept. The Russians were the first to whom such terms were offered and as that rate of interest has now been accepted by France, and possibly other European countries, it has weakened the Russian bargaining position, as it is quite obvious now that the U.S. cannot offer better terms to Russia than have been offered to other countries. Capital goods specifically mentioned in the Fourth Protocol agreement would have been eligible under this arrangement if it had been accepted by the Russians.

Yours sincerely,

G. C. BATEMAN

599. C.D.H./Vol. 2

Le ministre des Munitions et des Approvisionnements au directeur général, bureau de Washington, ministère des Munitions et des Approvisionnements

Minister of Munitions and Supply to Director General, Washington Office, Department of Munitions and Supply

Ottawa, May 17, 1945

Dear Mr. Bateman,

Thanks for your letter of May 5th, re Fifth Russian Protocol.

You can take it as definite that Canada will not enter into a Fifth Protocol unless in the meantime Russia declares war against Japan. Whether Canada will enter into a Fifth Protocol in those circumstances, will require further consideration.

Russia has undertaken to pay through a long term credit for all industrial equipment shipped after Russia is no longer at war. Therefore, we are continuing to ship Russian industrial equipment now on order. We are also shipping food and metals to the amount covered by the Fourth Protocol, provided these can be shipped before the end of June. We have agreed to repair and furnish ship supplies for all ships that were in harbour on V-E Day, but will require payment for anything undertaken subsequently to that date.

Details of the long term loan have not been arranged as yet. I presume that Russia is delaying until the U.S. terms have been settled.

Principal officers of the Soviet Mission are away from Ottawa at present. As soon as the election is over, we will get to grips with the situation, but in the meantime any new sales to Russia will be for either cash or credit.

It would seem to me from your report that the action proposed by Canada parallels that of the U.S. I will be glad if you will keep me advised of any departures from the practice on the part of the U.S.

Yours sincerely,

[C. D. HOWE]

600. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, June 20, 1945

...

CONTINUANCE OF MUTUAL AID TO THE U.S.S.R.

1. THE MINISTER OF MUNITIONS AND SUPPLY raised the question of continuing Mutual Aid to the U.S.S.R.

Since the end of hostilities in Europe, the Mutual Aid Board, with government approval, had limited shipments to a number of specific items, it being agreed that further supplies could be provided only under special arrangements and that industrial equipment would be paid for under terms and conditions to be established by negotiation between the two governments.

The Canadian policy in this respect was at variance with that being followed by the U.S. government, who were continuing to provide, under lease-lend, supplies for the Far Eastern theatre.

In the circumstances, the Mutual Aid Board requested reconsideration of current policy with respect to Canadian shipments, it being suggested that a certain relaxation be now permitted with respect to items produced under the 4th Protocol, principally metals, foodstuffs, ship repairs and victualling.

(Memorandum, Chairman, Mutual Aid Board to Privy Council and attached enclosures, June 19, 1945).†

2. THE CABINET, after discussion, agreed that Canada continue to provide supplies to the U.S.S.R. under Mutual Aid, as follows:

(a) certain items produced under the 4th Protocol and presently stockpiled in this country, including principally nickel, magnesium and other metals;

(b) ship repairs and victualling for vessels engaged in carrying supplies from Canada to Russia; and

(c) certain foodstuffs, mainly flour and wheat, and certain raw materials such as nickel and aluminum, as approved from time to time by the Mutual Aid Board.

...

SECTION I

ABANDON DU COMITÉ CONJOINT D'AIDE EN TEMPS DE GUERRE
TERMINATION OF JOINT WAR AID COMMITTEE

601. DEA/4929-K-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5408 Washington, October 19, 1945

Your EX-3353 of September 17,† termination of Joint (United States-Canada) War Aid Committee.

The following is the text of a formal note from the State Department dated October 19th and signed by James F. Byrnes, Secretary of State, Begins:

One of the agreements of the Quebec Conference in August 1943 was the announcement upon August 22nd, 1943 by the late President Roosevelt and Prime Minister W. L. Mackenzie King of Canada of the creation of the Joint War Aid Committee, United States-Canada.[339] The jurisdiction of this Committee was the study of problems arising out of the operations of the United States Lend-Lease and Canadian Mutual Aid programs and, where necessary, the making of recommendations concerning these programs to the proper authorities of the two Governments.

I understand that the members of both Sections of the Committee are in agreement that there is no longer any necessity for its continued existence. The Government of the United States concurs in this view. If the Government of Canada also concurs, I shall, upon receipt of a note from you to this effect, advise the interested authorities that the United States Section may be disbanded forthwith. I should like at this time, however, to express the appreciation of the United States Government for the co-operation extended by Canada in connection with this Committee which has dealt successfully with so many problems of importance and which has, in so doing, contributed further to the splendid tradition of Canada-United States collaboration in matters of mutual concern.

Accept, Excellency, the renewed assurance of my highest consideration. Ends.

We had previously indicated informally to the United States side of the Joint War Aid Committee that the Canadian authorities concurred in the view that no useful purpose would be served by continuing the Committee. We should be grateful for your suggestions as to the nature of the formal reply which this note requires.

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[339] Voir le volume 9, documents 367 et 368.
See Volume 9, Documents 367 and 368.

602. DEA/4929-K-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-3735 Ottawa, October 24, 1945

Your WA-5408 of October 19th, termination of Joint (United States-Canada) War Aid Committee.

1. Will you please reply to the note from the State Department, dated October 19th, along the following lines, Begins:

I have the honour to reply to your note of October 19th on the subject of the termination of the Joint (United States-Canada) War Aid Committee.

The Canadian Government concurs in the view of the Government of the United States that there is no longer any necessity for the existence of the Committee, and is advising the interested authorities that the Canadian Section may be disbanded.

The Canadian Government expresses its thanks to the Government of the United States for its part in developing the relationship that existed in the Committee, where, as in the other joint war agencies established by our two countries, we dealt usefully, expeditiously and in friendly fashion with problems of mutual concern. Ends.

2. Should a public statement be made? We are inclined to doubt the necessity.

PARTIE 6/PART 6

DISPOSITION DE SURPLUS DE GUERRE
DISPOSAL OF WAR SURPLUS

SECTION A

GRANDE-BRETAGNE ET EUROPE
GREAT BRITAIN AND EUROPE

603. DEA/5979-G-40

Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs
to High Commissioner in Great Britain

DESPATCH 717 Ottawa, May 16, 1945

Sir,

I have the honour to enclose herewith a copy of a letter received from the Crown Assets Allocation Committee, dated May 15th, together with a copy of the enclosure mentioned therein concerning the disposal of surplus Canadian Assets in the United Kingdom.

I will be obliged if you will make enquiries from the appropriate authorities in the United Kingdom to find whether disposal in the manner recommended by the Crown Assets Allocation Committee would be acceptable to the United Kingdom authorities.

I have etc.

J. E. READ
for the Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Le président, le Comité d'allocation des biens de la Couronne au sous-secrétaire d'État aux Affaires extérieures

Chairman, Crown Assets Allocation Committee, to Under-Secretary of State for External Affairs

May 15, 1945

Dear Sir,

I am authorized by the Honourable the Minister of Reconstruction to request that the appropriate representative of the Government of the United Kingdom be approached with a view to obtaining their agreement in the matter of disposing of Canadian owned surplus which becomes surplus within the territorial limits of the Government of the United Kingdom.

The policy recommended and adopted for this purpose is part of a document dated February 14, 1945, titled

Crown Assets Allocation Committee,
Recommendation for the Disposal of Surplus Canadian Property, becoming surplus within the territorial limits of any Allied Nation

and is covered in Clause (1) and the first paragraph of Clause (2) of the said document, copy of which is attached.

Could you please, therefore, proceed accordingly and at as early a date as possible, as the question of surplus disposal within the territorial limits of the Government of the United Kingdom will, I believe, reach some proportion in the near future.

It may be of assistance to you to know that during a visit to England last fall, I discussed this matter informally with the United Kingdom authorities who will be most closely concerned with the disposal of surplus and the policy suggested received very favourable comment.

Yours very truly,

J. H. BERRY

[ANNEXE À LA PIÈCE JOINTE/SUB-ENCLOSURE]

Recommandation du Comité d'allocation des biens de la Couronne

Recommendation by Crown Assets Allocation Committee

SECRET AND CONFIDENTIAL Ottawa, February 14, 1945

RECOMMENDATION FOR THE DISPOSAL OF SURPLUS CANADIAN PROPERTY, BECOMING SURPLUS WITHIN THE TERRITORIAL LIMITS OF ANY ALLIED NATION

A preliminary survey and informal discussions with representatives of Great Britian and the United States indicate that it is unlikely that any Allied Government will permit the sale of surplus Canadian property within its territorial limits without exercising strict control of such sales. It appears that such control would prevent any satisfactory operations for the sale thereof by any direct agency of the Canadian Government and it is, therefore, recommended that agreements be negotiated with the Allied Governments concerned along the following lines:

1. That the official disposal agency of the Government of the Allied country in which any surplus Canadian Government property is situate act as an agent of the Canadian Government in the disposal of any such property which the Canadian Government desires to dispose of in that country, or which the Canadian Government agrees should be sold by such disposal agencies directly to purchasers outside the country in which the surplus exists, provided:

(a) That such official disposal agency is acceptable to the Canadian Government;

(b) That the net proceeds from the disposal of such Canadian property will be paid or credited to the Canadian Government in a currency acceptable to the Canadian Government;

(c) That no disposal of such surplus Canadian property will be made without the specific or general approval of the Canadian Government or an authorized representative thereof;

(d) That, if the Canadian Government does not so approve the disposal of any such surplus Canadian property, the Canadian Government will agree not to dispose of such property for use within the territorial limits of such allied country.

2. Should the surplus Canadian property consist of items of a type common to both Governments, then in proper cases, subject to specific or general approval by or on behalf of the Canadian Government, such surplus property may be pooled and, at the end of suitable periods, a proper proportion of the net proceeds thereof paid or credited to the Canadian Government.

It is further recommended that persons vested with authority as representatives of the Canadian Government in respect of all questions affecting the disposal of surplus Canadian property within respective specified areas be appointed by the Minister of Reconstruction, at such places as may be deemed advisable, and that each of such persons be designated a "Director of Canadian

Surplus (name of country)," and be authorized and empowered to employ such staff as may be necessary to carry out his duties.

It is further recommended that Advisory Committees be established at such places as may be advisable to act as advisers to the respective Directors and to be known as "Canadian Surplus Committee (name of country)," each consisting of (when possible):

(a) The Director of Canadian Surplus (name of country) who shall be Chairman,

(b) a member or members of the Armed Forces,

(c) a representative of the Department of Trade and Commerce,

(d) a representative of the Department of External Affairs,

(e) a representative of Canadian business.

604. DEA/5979-G-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1791 London, June 26, 1945

Your telegram No. 1438, June 21st.† Disposal of Canadian surplus assets in the United Kingdom.

At an interim meeting this afternoon, United Kingdom Treasury officials said that the machinery proposed in the memorandum from the Crown Assets Allocation Committee of February 14th seemed to them, in principle, satisfactory. However, it could be finally approved only after the Ministry of Supply and the War Office had been consulted. The Treasury have promised to arrange, as quickly as possible, a meeting at which these other interested Departments will be represented.

The financial arrangements proposed in the memorandum would face the Treasury with very considerable difficulties. They would like to handle this matter through a suspense account in accordance with the suggestions put forward in the letter from Lord Keynes to Dr. Clark on the 4th June.[140] Further progress in reaching agreement will be difficult until there is some indication of the Canadian response to these proposals. This question is particularly urgent, since the type of machinery for disposing of surpluses which will be acceptable to the United Kingdom is, in some measure, dependent on whether Canada will insist on payment in hard currencies or will be willing to use the device of a suspense account. The United Kingdom Treasury would also welcome some indication about the totals and types of surpluses which may have to be disposed of, although they realize that even

[140] Non trouvé.
Not located.

rough estimates may be difficult to provide at this stage. They do not wish to raise unnecessary financial difficulties if it is expected that the surpluses will turn out to be quite small.

They assume that materials in United Kingdom which are no longer needed by the Canadian forces overseas, but which are required for relief and rehabilitation in north west Europe and are, therefore, not true global surpluses, will be transferred directly by the Canadian Government to, say, the French Government, or UNRRA, or Military Relief, as the case may be. In such cases, they would be prepared to act as agents for the Canadian Government if that is desired, although they assume that all accounting would be done between the Canadian Government and the recipients. They would be glad to know whether this arrangement will be satisfactory to the Canadian Government.

MASSEY

605. DEA/5979-G-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1880 London, July 5, 1945

My telegram No. 1791 of 25th June, disposal of Canadian surplus assets in the United Kingdom.

A further meeting on this subject was held at the Treasury yesterday. Representatives of the War Office and of the Ministry of Supply attended and, as a result of their approval, I can now inform you that the procedures and machinery proposed in the memorandum from the Crown Assets Allocation Committee of February 14th will be satisfactory to the United Kingdom Government, provided that a suitable method of accounting and final payment can be agreed on.

McKim, of Munitions and Supply, and Wilmot, Financial Secretary CMHQ, were present and gave the Treasury as much indication as they could of what the final magnitude might be of all Canadian surpluses to be disposed of in the United Kingdom. Priestman was also present at the meeting, representing Trade and Commerce.

Treasury officials once more urged the necessity of the Canadian Government expressing its views of Lord Keynes' proposals for a suspense account if progress is to be made in this matter. McKim is flying to Ottawa on Saturday to discuss the whole question. He promised to investigate with the Canadian authorities:

(a) Whether the device of a suspense account will be acceptable to the Canadian Government;

(b) Whether disposals in the United Kingdom could properly be included in the suspense account.

One proposal was that only those items which were not intended to fill a demand of the Service Ministries would be handled through the suspense account.

Representatives of the Navy and RCAF were not invited to attend since, I understand from McKim, who acts for the Crown Assets Allocation Committee in London, that the problem of surpluses in the United Kingdom at this stage concerns the Army almost exclusively.

606. DEA/5979-G-40

Le président, le Comité d'allocation des biens de la Couronne, à l'investigateur financier, le ministère des Finances

Chairman, Crown Assets Allocation Committee, to Financial Investigator, Department of Finance

Ottawa, July 23, 1945

Dear Mr. Bryce,

Confirming my telephone conversation with you of July 20th, it appears necessary that we define a financial policy with regard to the sale of surplus assets abroad, more particularly as to the acceptance or non-acceptance of various currencies.

I think there are actually two parts to this question, the first being the sale of surplus within the territorial limits of the United Kingdom, and the second being the sale of surplus outside the territorial limits of the United Kingdom.

In accordance with policy which has been forwarded through the Department of External Affairs to the United Kingdom, we have requested the Government of the United Kingdom to dispose of such surplus as is located in the United Kingdom and which we consider should be disposed of in the United Kingdom through their own appropriate agency. This has been generally agreed, I believe, in principle, with the exception of the question as to whether the proceeds arising from such disposals are to be forwarded to us in the form of hard currencies or whether we are prepared to accept the device of a suspense account to be part of our overall financial considerations as and when the time arrives for such considerations.

This is covered generally in cables 1791 dated June 26th and 1880 dated July 5th from the High Commissioner for Canada in Great Britain to the Secretary of State for External Affairs, as per attached copies.

I am also attaching copy of the policy dated February 14th, 1945, which it has been agreed we follow opposite the United Kingdom.

In connection with sales other than within the territorial limits of the United Kingdom, I suggested to you on the telephone on Friday that such sales should be made preferably in U.S. or Canadian dollars but, if these currencies were

not available, then we could be free to accept the currency of the country in which the sale was completed.

This, I believe, you approved of generally as being the only practical method of operating.

You indicated to me that you would clear this matter for me at the earliest possible date and I shall be glad if you could do this.

Yours sincerely,

J. H. BERRY

607. DEA/5979-G-40

L'investigateur financier, le ministère des Finances, au président, le Comité d'allocation des biens de la Couronne

Financial Investigator, Department of Finance, to Chairman, Crown Assets Allocation Committee

Ottawa, August 9, 1945

Dear Mr. Berry,

I must apologize for not having answered your letter of July 23rd before this, but there are more jokers in this subject than appear on the surface, particularly the rather innocuous appearing proposal of the U.K.

First as regards the U.K.: when we spoke on the 'phone you mentioned their proposal for placing the proceeds of sales of surplus in [a] suspense account, and I thought this simply meant that we would decide later what was to happen to this amount. However, on examining the documents which you sent me over, I find that this is a particular suspense account which Keynes has proposed to us in connection with some other transactions, and that to approve the placing of these proceeds of disposals into this account involves approving quite a substantial number of other matters as well. We are not prepared as yet to reply to the U.K. on the other aspects of this general suspense account proposal—partly because our settlements with the U.S. in respect of Lend-Lease supplies received overseas are involved. To obtain a decision exactly along the lines suggested by the U.K. in the cable of July 5th would probably involve going to the Cabinet, and I doubt if it could be done until the whole question of future Mutual Aid policy is brought up. On the other hand, it would not be so difficult, I think, to get a decision simply to hold these proceeds in suspense for the time being and arrange that the manner of settlement will be determined later. However, I suspect that the British might demur at this simpler suggestion. The reason is that the effect of the British proposal would be to earmark the amounts placed in the suspense account against repayments of certain obligations they have to Canada in respect of air training in years past.

I am afraid this answer is not very useful to you. I think on the whole it might be best if we took up this question directly with the U.K. Treasury. We have not as yet replied to Keynes' letter to which reference is made, but we

have explained to the representatives of the U.K. treasury that the reason for the delay is the large number of questions, particularly the settlement with the U.S., which are involved in making a decision.

In regard to sales in Western Europe, you will recall that on the telephone I said that we should attempt to obtain U.S. dollars or, failing that, Canadian dollars, but that if it was not possible to obtain dollars, then it might be feasible to accept local currencies, and I added "provided that these local currencies were not 'blocked'." I have now gone into this side of the matter somewhat more thoroughly with the F.E.C.B. and with a representative of the French Treasury, who was here this week. As a result of these conversations, I think I can give you more definite information.

As regards France, I am informed that all surpluses to be sold in France must be sold to a specified agency of the French Government, which has just recently been established. I understand that the proper man to see in this connection is M. Jacques Levy, Chef du Service d'Aide aux forces alliées, Président du Conseil Français des Surplus, Place du Palais Royal, Paris.

The French Government apparently permits no sales of foreign-owned surpluses to private individuals or businesses. The French representative here this week, M. de Clermont-Tonnerre, requests that all sales to France be for U.S. dollars or for Canadian dollars in official French accounts in Canada which France is permitted to use to pay for exports from Canada. I think it would be proper for us to agree to this request of the French and, indeed, it is in our interest, as we would prefer to get U.S. dollars or their equivalent wherever that is possible.

M. de Clermont-Tonnerre said he understood that Belgium has a similar arrangement of their own and, if that is the case, I think it would be well that we should follow the same policy and not sell surpluses in Belgium except for U.S. dollars or Canadian dollars at the disposal of the Belgian Government for paying for exports from Canada. I have not yet been in touch with the Belgians about the matter, but I think it might be well if this Department took it up directly with the Belgian authorities. I would be interested to know if you agree, and I would like to have any comments that you care to make before we initiated any discussion.

I do not know what the situation is in Holland, which I suppose is one of the most important countries from your point of view. I gather from M. de Clermont-Tonnerre that there is some chance Holland is following, or will follow, the same policy as France or Belgium.

In any event, I think it would be essential for Canada to avoid building up any accummulation of European currencies as a consequence of disposal of surplus assets in Europe. Therefore, I think that any sales of Canadian-owned surplus in Europe should require payment in U.S. dollars or in Canadian dollars in official accounts of the country to which the sale is made which are available for the payment for exports from Canada to that country, or for local currency, provided that Canada is free to use such local currency for any payment within that country, and to obtain U.S. dollars for any surplus of that

local currency which we are not able to use currently. This all means in effect that we would ask for payment in U.S. dollars or in currency equivalent to U.S. dollars.

There is still another aspect to this matter: some of the Canadian dollars at the disposal of these European countries are obtained from export credits advanced under the Export Credits Insurance Act. These credits might legally be used for paying for Canadian-owned surpluses which were manufactured in Canada; they could not legally be used for paying for Canadian-owned surpluses manufactured elsewhere. Consequently if the amounts to be sold are substantial, they may raise problems in regard to credits. In this connection, I wondered whether you had given any thought to the possibility of making any sales in Europe on credit terms. We would prefer not to sell surpluses for credits, but rather to sell them for cash. Therefore, if any question of sales on credit arises, I would be glad if you could let me know.

I realize this is not a very satisfactory situation from your point of view, particularly in regard to the U.K. arrangements. I would be glad to discuss it with you at some stage, if you would give me a call.

Yours truly,

R. B. BRYCE

608. DEA/5979-G-40

Le sous-ministre par intérim aux Finances au sous-secrétaire d'État aux Affaires extérieures

Acting Deputy Minister of Finance to Under-Secretary of State for External Affairs

Ottawa, August 14, 1945

Dear Mr. Robertson,

This Department has had some discussion and correspondence with Mr. Berry, Chairman of the Crown Assets Allocation Committee, regarding the means of payment for Canadian surplus assets sold in the United Kingdom and in France, Belgium and The Netherlands. I understand that Mr. Bryce of this Department sent to your Department a copy of his letter of August 9th to Mr. Berry, outlining some of these problems and the suggestions which this Department made for dealing with them.

In regard to the United Kingdom, I have written to Mr. Munro, of the High Commissioner's office, making the following suggestion in respect of the proceeds of the disposition of Canadian surplus assets in the United Kingdom:

"While for these reasons we are not prepared as yet to agree to the suggestions put forward by Keynes, we do feel it desirable to make some arrangements regarding surplus disposals, upon which Keynes touched at several points in his letter. We understand that the disposal in the United Kingdom of some supplies which might be useful to the United Kingdom itself is being delayed for lack of any agreement as to how it would be financed. We

would suggest in these circumstances that the proceeds of any sales made by the United Kingdom Government on behalf of Canada or its agency, the War Assets Corporation, might simply be placed to the credit of the Canadian Government on the books of the United Kingdom Government, to be settled later when agreement is reached upon this and related matters. We feel it desirable that no financial impediment should be raised to the prompt disposition of those surplus supplies which can be of use to the United Kingdom, and that an arrangement by which the proceeds of such disposition are simply held in suspense for the time being would leave us both free to determine later the proper means of settling for the amount in question."

In regard to France, you will note from Mr. Bryce's letter to Mr. Berry that it is proposed all sales should be for payment in U.S. dollars or Canadian dollars in official French accounts in Canada which France is permitted to use to pay for exports from Canada. I understand that Mr. Berry is arranging to have their overseas representatives get in touch with the French authorities concerned with this matter without delay.

As respects Belgium and The Netherlands, we would suggest that this subject might be taken up by the Canadian Embassy in Brussels and the Canadian Minister to The Netherlands, and we and Mr. Berry would appreciate it if you could arrange by cable to have this done. We would like to propose to each of these countries that any purchases of Canadian surplus assets should be paid for in U.S. dollars or in Canadian dollars in official accounts of Belgium or The Netherlands, as the case may be, which are available for the payment of exports from Canada to the country concerned. We would be prepared to accept some payment in local currency, i.e., Belgian francs or Netherlands guilders, provided that we were free to use such local currency to meet our current requirements in Belgium or The Netherlands, as the case may be, and to convert any surplus into U.S. dollars. Payment in local currency, subject to such conditions, however, amounts in substance to the same thing as payment in U.S. dollars or from official Canadian dollar accounts.

Your representatives might inform The Netherlands and Belgian authorities that any payments made to Canada in U.S. dollars for surplus assets, as noted above, would be regarded by this Department as part of the agreed purchases which those countries will make for cash in connection with the credit agreement between Canada and The Netherlands and the proposed credit agreement between Canada and Belgium.

We would be glad to discuss this problem with representatives of The Netherlands or Belgian Governments here or to receive any messages through our representatives abroad. We have suggested taking up the matter through our representatives abroad, as we felt this would expedite consideration of it. There is some urgency about the matter, we understand, because certain of these surplus assets, particularly motor trucks, are already available for sale, and we understand that Belgium and The Netherlands are interested in

obtaining some of these without delay. We do not know the magnitude of the total sales under consideration either of trucks or of other equipment.

Yours very truly,
W. A. MACKINTOSH

609. DEA/5979-G-40

Le conseiller financier, le haut commissariat de Grande-Bretagne, au sous-ministre par intérim des Finances

Financial Adviser, High Commission of Great Britain, to Acting Deputy Minister of Finance

Ottawa, September 14, 1945

Dear Dr. Mackintosh,

In the fifth paragraph of your letter of August 13th, you made certain suggestions about the handling of surpluses of Canadian origin in the United Kingdom. I have now heard from the United Kingdom Treasury, to whom I referred your letter, that they are in agreement with these suggestions and that they are asking Departments in the United Kingdom to proceed on the basis you propose.

The Ministry of Supply have pointed out that it will not be practicable in the majority of cases to segregate Canadian-owned surpluses from other surplus stores of a similar character. Before it is possible, therefore, to earmark the proceeds of sale and place them to the credit of the Canadian Government, it will be necessary to devise some method of splitting receipts from the sale of surplus goods of mixed origin. One solution which has been suggested is that the proceeds might be divided in the ratio which the total value of Canadian imports of stores in any particular category, plus the value of goods in that category which are of United Kingdom origin and have been purchased by Canada through the War Office, bears to the total of United Kingdom war production of similar stores.

The technical details of this problem have for some time been under discussion between the War Office, Ministry of Supply and the Canadian military authorities in London. The United Kingdom Treasury have accordingly communicated the substance of your proposals and of this reply to them and are suggesting that they should continue their talks in London with a view to completing appropriate arrangements. In these circumstances you might perhaps consider it most convenient that further communications from the Canadian authorities on this subject should continue to be made via Canada House.

Yours sincerely,
R. GORDON MUNRO

610. DEA/5979-G-40

Le secrétaire d'État aux Affaires extérieures au ministre au Pays-Bas

Secretary of State for External Affairs to Minister in The Netherlands

TELEGRAM 92 Ottawa, September 19, 1945

Your No.184† re payment for Canadian surplus purchased by Netherlands Government.

Department of Finance advise that they are prepared to agree that any guilders received for sales of assets of the Canadian Army to The Netherlands will be utilized by the Canadian Army in The Netherlands, and that the sale of the remaining guilders for dollars shall not be made until three months after the final departure of Canadian troops from Holland.

2. They are prepared to receive payment for these remaining guilders in either Canadian or U.S. dollars.

3. If payment made in U.S. dollars, they are prepared to regard it as part of the payment which The Netherlands will make in accordance with the covering letter attached to the credit agreement between Canada and The Netherlands dated May 1, 1945.†

4. Department of Finance anticipates above reply will be satisfactory to Netherlands Government and if so suggests that sales of surplus assets could be made immediately for guilders which will be placed in a special account in The Netherlands and that the necessary exchange of documents with The Netherlands Government covering this account can be made at a later date.

5. Please hand copy of this cable to Major-General D. E. Dewar, Department of Munitions and Supply, London and also hand him copies of all subsequent communications on surplus disposal.

611. DEA/5979-G-40

Le sous-ministre par intérim des Finances au conseiller financier, le haut commissariat de Grande-Bretagne

Acting Deputy Minister of Finance to Financial Adviser, High Commission of Great Britain

Ottawa, September 21, 1945

Dear Mr. Munro,

I have your letter of September 14th regarding the disposition of Canadian surpluses in the United Kingdom. I am glad to note that your Treasury is in agreement with the suggestions in my letter of August 13th† about this matter, and that they are asking the Departments in the United Kingdom to proceed on that basis.

I have noted the point raised by the Ministry of Supply, that in most cases it will not be practicable to segregate Canadian-owned surpluses from other surplus stores of a similar character, and that it is therefore proposed to devise some method of splitting receipts from the sale of surplus goods of mixed ownership and origin. This Department would be quite prepared to agree to this principle, but I would suggest that the formula to be applied in making such division should be settled directly with the representatives of the War Assets Corporation, Canadian Defence Departments, or other Canadian Departments directly concerned. I would therefore suggest that your Departments might get directly in touch with the U.K. representatives of these Canadian agencies in working out some formula along the lines suggested.

I take it that the disposition of these surpluses can now proceed without further delay on financial grounds.

Yours very truly,

W. A. MACKINTOSH

612. DEA/5979-G-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur en Belgique

Acting Secretary of State for External Affairs to Ambassador in Belgium

TELEGRAM 129 Ottawa, October 2, 1945

IMMEDIATE. Reference your despatch No. 548 of September 14th† concerning payment of surplus Canadian assets sold to Belgian Government and enclosed Note Verbale from Belgian Foreign Office,† Department of Finance here prepared to accept payment in Belgian francs instead of dollars and use francs for current requirements in Belgium, also for any payment to be made to Belgian Government in respect of supplies, facilities and services provided by Belgium to Canadian forces, as suggested in note, provided that balance of francs if any remaining in hands of Canadian Government will be paid to Canada in United States dollars at average exchange rate prevailing at time francs originally paid to Canadian account. Our Department of Finance also prepared [to] agree that any such settlement in United States dollars will be regarded as part of agreed purchases in such dollars in connection with proposed credit agreement. Department also agrees that if payments to be made to Belgium in respect of items supplied to Canadian forces exceeds francs available as above it will make necessary remaining payments in dollars here. Please confirm if these arrangements satisfactory to Belgian authorities, and note desire of Canadian authorities to expedite this sale of surplus assets. Payments can be made in first instance to War Assets Corporation, and would suggest necessary banking arrangements be made between National Bank of Belgium and Bank of Canada.

613. DEA/5979-G-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur en France

Acting Secretary of State for External Affair to Ambassador in France

TELEGRAM 487 Ottawa, October 2, 1945

Officials of the Department of Finance have had discussions with the French Representatives in Canada concerning the disposal of surplus Canadian assets in France.

The Department of Finance understands that all purchases are to be made through a single Government agency known as the Conseil Français des Surplus and that payment for the surplus is to be made in the same way as payment for exports from Canada, that is, in U.S. dollars or in Canadian dollars from official French accounts in Canada.

The French Supply Mission enquired whether purchases of Canadian surplus could be brought within the proposed credit arrangements between the two countries. The Canadian authorities would prefer that the funds provided as export credits should not be used for the purchase of surplus Canadian supplies overseas, but they would be quite prepared to have payments for surpluses regarded as part of the purchases for cash that the French would make in accordance with the agreement to extend credit to them.

The Department of Finance have asked us to have you take up these questions with the authorities in France to confirm the tentative decisions that have taken place here.

614. DEA/5979-G-40

Le chargé d'affaires en Belgique au secrétaire d'État par intérim aux Affaires extérieures

Chargé d'Affaires in Belgium to Acting Secretary of State for External Affairs

TELEGRAM 132 Brussels, October 6, 1945

Your telegram No. 129 of October 2nd, concerning payment of surplus Canadian assets. Was informed yesterday that reply might be forthcoming today but since then have learned unofficially that Mr. Gutt will be in Ottawa on Tuesday and Foreign Office will probably ask him to discuss the matter with you.

615. DEA/6993-D-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur en Belgique

Acting Secretary of State for External Affairs to Ambassador in Belgium

DESPATCH 396 Ottawa, October 26, 1945

Sir,

I refer to your telegram of October 18th† and to the statement telegraphed to you yesterday given by the Minister of Trade and Commerce in the House on the subject of export credits, in which he announced the conclusion of an agreement for the extension of a credit to Belgium of $25,000,000.[341] I enclose copy of the Agreement itself[342] and of a letter from the Minister of Finance, dated October 25th, to the Belgian Ambassador in Ottawa† dealing inter alia with the understanding reached as to the further amounts which might be provided.

The discussions which we have had with the Belgians in recent weeks dealt in the main with the following six topics:

(1) The credit of $25,000,000.

(2) A further credit of up to $75,000,000.

(3) Unfreezing of Belgian assets in Canada.

(4) Deliveries of Belgian goods and services to Canadian Forces.

(5) Deliveries of Belgian goods and services to Canadian Forces after November 8, 1945 (end of Belgian-U.K. Mutual Aid Agreement.)

(6) Disposal of surplus Canadian assets in Belgium.

Item (1) has been disposed of by concluding the enclosed Agreement.

The position on item (2) is referred to in the letter enclosed. You will note that the amount of the additional loan has not yet been determined. The $75,000,000 mentioned will probably be considerably reduced because the Belgian requirements will be lowered by the payments to be made by Canada for goods and services supplied to the Canadian Forces.

On item (3) an agreement has not yet been reached between the Custodian and the Belgian authorities. There is agreement on practically all points save that relating to the release of information by the Canadian Custodian on the individual ownership of the assets.

On item (4) the Belgians estimated that a total of $251,000,000 will have been provided to the United Kingdom, half of this before VE-Day and half from VE-Day to November 8th, the date of expiry of the Belgian-U.K. Mutual Aid Agreement. The Belgians estimated that about 20% of this amount was for

[341] Voir Canada, Chambre des Communes, *Débats*, 1945, deuxième session, volume II, pp. 1504-5.
See Canada, House of Commons, *Debates*, 1945, Second Session, Volume II, pp. 1467-8.

[342] Voir Canada, *Recueil des traités*, 1945, N° 22.
See Canada, *Treaty Series*, 1945, No. 22.

the Canadian Forces. Determination of the exact amount will be attempted in London by the Belgian authorities and the Canadian and British military authorities.

On item (5) an attempt will be made to apportion the amount of supplies for which we will have to pay. This will also be discussed in London. While arrangements for payment for supplies already received and to be received are not yet definite, it is probable that we will settle in dollars for all supplies already received or to be received. Settlement after November 8th will be on a cash basis.

On item (6) it is probable that Belgium will pay us cash in dollars for surplus assets bought from us in Belgium. It has already been agreed that all sales made by us in Belgium of surplus Canadian assets will be made to the Belgian Office of Mutual Aid or will be authorized by that Office.

The credit negotiations were led by M. C. Gutt, Minister of State and official Belgian representative on lend-lease and allied matters. The negotiations relating to supplies and services furnished our troops and to surplus assets were conducted for Belgium by Colonel Jacquemin, Chief of the Belgian Office of Mutual Aid. M. Frère, Governor of the National Bank of Belgium, negotiated with the Custodian on the release of Belgian assets.

I have etc.

H. H. WRONG
for the Acting Secretary of State
for External Affairs

P.S. I attach copy of Mr. Gutt's letter of October 15th to the Deputy Minister (Army), D.N.D.[†]

SECTION B

ÉTATS-UNIS/UNITED STATES

616. DEA/5979-F-40

Le chargé d'affaires aux États-Unis au secrétaire d'État des États-Unis

Chargé d'Affaires in United States to Secretary of State of United States

No. 305 Washington, August 29, 1945

Sir,

I have the honour to refer to my note No. 206 of June 8, 1945,[†] and your note of May 7, 1945,[†] regarding the disposal of surpluses arising from the manufacture of warlike stores owned by the Canadian Government in the United States as well as those owned by the United States, but situated in Canada.

The Crown Assets Allocation Committee has requested me to propose that, in view of the great demand upon its time with the early ending of hostilities,

and in view of similar demands on the time of the United States authorities concerned, this matter be disposed of by correspondence rather than by a group proceeding from Canada to hold discussions in Washington with the United States authorities.

In accordance with this proposal, I am requested by the Committee to convey its suggestion as to the disposal of United States-owned surplus property within Canada, which is as follows:

"We have previously advised the U.S. authorities of our willingness to clear all their surplus in Canada through War Assets Corporation in a manner parallel to the operations being conducted on behalf of the U.S. Army under the terms of what is commonly known as the 33rd Recommendation.[343]

We think the only major change that would have to be made under the proposed setup concerning U.S. surplus in Canada is an agreement that any manufacturing contract which contains provisions to the effect that the revenue derived from the sale of scrap or surplus be credited to that contract would have to be revised and the revenue from the sale of any U.S. owned scrap or surplus in Canada credited to a common U.S. account in parallel with the credits now coming forward under the operations conducted within the 33rd Recommendation of the Permanent Joint Defence Board."

I have also been requested by the Committee to submit for the consideration of the American authorities two alternative procedures regarding the disposal of Canadian-owned surpluses in the United States.

As one alternative, the Committee suggest that it would undertake to report to the United States disposal agency, under whose jurisdiction any surplus would fall, the details of each item of surplus as it became available. The United States agency could, if so desired, request the surplus to be transferred to it for disposal, the Canadian Government being credited with the proceeds of any resultant sale. If it preferred, the United States agency could state that it would be in order for the Canadian authorities either to instruct the contractor concerned to dispose of the surplus within the United States, or to have War Assets Corporation take over the surplus and dispose of it through its own channels within the United States.

As the other alternative, the Committee suggest that the United States authorities might agree to disposal either by the contractor, or by War Assets Corporation, without prior reference to the United States agencies.

Crown Assets Allocation Committee also wish me to state that, while it is not possible at this time to estimate the size of the disposal problem of surplus of the type under consideration within the United States, it anticipates that it will be far below amounts previously thought probable, and it does not

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[343]La 33[e] recommendation de la CPCAD. Voir S. W. Dzuiban, *Military Relations between the United States and Canada, 1939-1945*. Washington, U.S. Government Printing Office, 1959, pp. 364-5.
The 33rd Recommendation of the PJBD. See S. W. Dzuiban, *Military Relations between the United States and Canada, 1939-1945*. Washington, U.S. Government Printing

anticipate that sale in the United States would have any effect on the United States disposal problem.

I would be grateful if you would let me have the views of the United States authorities on the suggestion to continue this matter by correspondence rather than by conferences. If this suggestion is agreeable to them, I would be glad in due course to receive their comments on the proposals put forward by Crown Assets Allocation Committee.

Accept etc.

M. M. MAHONEY

617. DEA/5979-F-40

Le secrétaire d'État par intérim des États-Unis à l'ambassadeur auxÉtats-Unis

Acting Secretary of State of United States to Ambassador in United States

Washington, September 28, 1945

Excellency,

I have the honor to refer to your note No. 305 of August 29, 1945, concerning the disposal of surpluses arising from the manufacture of warlike stores owned by the United States Government but situated in Canada as well as those warlike stores owned by the Canadian Government in the United States.

In discussion of the Canadian Embassy's note No. 305 of August 29, 1945, representatives of the Agencies of this Government concerned with the disposal of surpluses reached agreement upon the following points:

1. Regarding the disposal in the United States of the Canadian Government's subcontractor inventories, the first of the two alternatives proposed by the Canadian Embassy's note is acceptable.

2. While it appears from the phrasing of the Canadian Embassy's note that it covers not only United States Army and Navy subcontractor inventories in Canada, but other United States surplus property in Canada as well, it is desired to confine the scope of this reply to the single category of United States Army and Navy subcontractor inventories. It is believed that existing arrangements adequately cover surplus property other than the sub-contractor inventories.

3. In lieu of the suggestion made in the Canadian Embassy's note with regard to the disposition of United States subcontractor inventories in Canada in line with the so-called 33rd recommendation, it is proposed that such inventories be turned over to War Assets Corporation for immediate appraisal and purchase, the proceeds to be paid directly to the United States Government. The appraisal would be based upon market conditions in Canada for similar material and would be designed to place on the inventory the net value which the Canadian Government would expect to realize from a sale of the property

in accordance with its established procedures governing disposition of its own surplus property of the same kind. Following the appraisal and purchase the United States Government would have no further responsibility with respect to the disposition of the property or its removal from the Canadian subcontractors' plants. Each appraisal would be subject to approval by a United States Government representative who would be designated and authorized in behalf of the United States Government to act in Canada. The inventories to be offered and sold to War Assets Corporation would be limited to the residual inventories remaining after removal of such property as is to be shipped to the United States and after retention by Canadian subcontractors of any items at cost.

4. It is further suggested that in accordance with arrangements already in effect with regard to many of the United States Army and Navy subcontracts with Canadian manufacturers, the services and assistance of the Canadian Government's technical inspection representatives and auditors be made available upon request in connection with the verification of contract termination claims presented by Canadian subcontractors under United States Army and Navy prime contracts. Such services will include determinations as to allocability, verifications of inventories, accounting reviews of claims, et cetera, in line with the standards and procedures customarily followed within the United States, which are understood to be substantially similar to those applicable to termination claims under Canadian Government contracts.

5. It is recommended that in connection with Canadian import duties and Canadian Federal taxes which may have been imposed upon Canadian subcontractors under United States Army and Navy prime contracts and which will therefore form an element of such subcontractors' termination claims, the Canadian Government recognize as the basic principle that such subcontracts are part of the War program of the United States and accordingly, the United States Government should not be called upon to pay such Canadian duties and taxes in connection with termination claims or in connection with disposition of subcontractor inventories in Canada. It is suggested that appropriate means be found for the absorption of such duties and taxes by the Canadian Government, either by direct reimbursement from the Canadian Government to the Canadian subcontractor for that portion of his termination claim, or otherwise.

The Department has been informed by the interested Agencies of this Government that under existing procedures an authorization from the Surplus Property Board appears to be necessary in connection with the implementation of the points enumerated above. If these points are agreeable to the Canadian Government, it is my understanding that the Surplus Property Board would take action to issue an appropriate regulation.

Accept etc.

W. L. CLAYTON
for the Acting Secretary of State

618. DEA/5979-F-40

L'ambassadeur aux États-Unis au secrétaire d'État des États-Unis

Ambassador in United States to Secretary of State of United States

No. 433 Washington, November 24, 1945

Sir,

I have the honour to refer to your note of September 26th, concerning the disposal of surpluses arising from the manufacture of war-like stores owned by the United States Government but situated in Canada as well as those war-like stores owned by the Canadian Government in the United States.

Following informal discussions that have taken place between representatives of the surplus disposal authorities of our two governments, the Canadian Government submits a proposal to replace the alternatives suggested in the Canadian Government's note No. 305 of August 29th relating to the disposal of Canadian-owned sub-contractors' inventories located in the United States.

It is now proposed that the Canadian Government, through its appropriate agencies, instruct their prime contractors to proceed as follows in the matter of disposal:

The Canadian Government agencies involved will advise their prime contractors that they may instruct their sub-contractors in the United States to dispose of such surplus inventories, as they may be holding for the prime contractor to the account of the Canadian Government in the United States, in a manner parallel or similar to the arrangements adopted by the authoritative United States disposal agency for the disposal of like surplus United States Government-owned stores.

If the United States Government agrees with the above proposal and such instructions are in consequence issued, the Canadian Government would not, of course, be in a position to ensure the compliance of United States sub-contractors with the instructions.

If the United States Government accepts the above proposal for the disposal of Canadian-owned sub-contractors' inventories located in the United States, the Canadian Government will accept the arrangements proposed in the United States Government's note of September 28th for the disposal of United States sub-contractors' inventories in Canada.

With reference to paragraph 5 of your note of September 28th, the Canadian authorities are investigating the possibility of absorbing duties and taxes. The Canadian Government would appreciate it if the Government of the United States would explore the possibility of granting reciprocal treatment in this regard.

I would appreciate being informed whether the above proposals are acceptable to the United States Government.

Accept etc.

L. B. PEARSON

619. DEA/5979-F-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6043 Washington, December 1, 1945

IMMEDIATE. My WA-6042 of December 1st,† surplus property disposal.

Following is text of State Department note received today; Begins:

December 1st, 1945

Excellency:

I refer to your note, No. 433, dated November 24th, 1945, concerning the disposal of Canadian-owned sub-contractors' inventories located in the United States. In this note as a result of further informal discussions between the interested United States and Canadian authorities you submitted on behalf of your Government a proposal to replace the alternatives suggested in your note No. 305 of August 29th and to which this Government had previously indicated its agreement. I now have the honour to inform you that the United States Government accepts the terms of this new proposal.

In consequence of this acceptance by the Government of the United States and in view of your statement that contingent upon such acceptance, the Canadian Government would in turn accept the arrangements proposed in my note of September 28th, 1945, for the disposal of United States sub-contractors' inventories in Canada, I take pleasure in confirming that the understanding between the two Governments on this matter is as follows:

Relating to the disposal of Canadian-owned sub-contractors' inventories located in the United States

The Canadian Government through its appropriate agencies will instruct their prime contractors to proceed as follows in the matter of disposal:

1. The Canadian Government agencies involved will advise their prime contractors that they may instruct their sub-contractors in the United States to dispose of such surplus inventories, as they may be holding for the prime contractor to the account of the Canadian Government in the United States, in a manner parallel or similar to the arrangements adopted by the authoritative United States disposal agency for the disposal of like surplus United States Government-owned stores.

2. If the United States Government agrees with the above proposal and such instructions are in consequence issued, the Canadian Government would not, of course, be in a position to ensure the compliance of United States sub-contractors with the instructions.

Relating to the disposal of United States-owned sub-contractor inventories located in Canada

1. It is desired to confine the scope of this arrangement to the single category of United States Army and Navy sub-contractor inventories. It is believed that existing arrangements adequately cover surplus property other than the sub-contractor inventories.

2. United States sub-contractor inventories in Canada will be turned over to the War Assets Corporation for immediate appraisal and purchase the proceeds to be paid directly to the United States Government. The appraisal would be based upon market conditions in Canada for similar material and would be designed to place on the inventory the net value which the Canadian government would expect to realize from a sale of the property in accordance with its established procedures governing disposition of its own surplus property of the same kind. Following the appraisal and purchase the United States Government would have no further responsibility with respect to the disposition of the property or its removal from the Canadian sub-contractors' plants. Each appraisal would be subject to approval by a United States Government representative who would be designated and authorized on behalf of the United States Government to set in Canada. The inventories to be offered and sold to War Assets Corporation would be limited to the residual inventories remaining after removal of such property as is to be shipped to the United States and after retention by Canadian sub-contractors of any items at cost.

3. In accordance with arrangements already in effect with regard to many of the United States Army and Navy sub-contracts with Canadian manufacturers, the services and assistance of the Canadian Government's technical inspection representatives and auditors will be made available upon request in connection with the verification of contract termination claims presented by Canadian sub-contractors under United States Army and Navy prime contracts. Such services will include determinations as to allocability, verifications of inventories, accounting reviews of claims, et cetera, in line with the standards and procedures customarily followed within the United States, which are understood to be substantially similar to those applicable to termination claims under Canadian Government contracts.

It is understood that with reference to the question of taxes and duties on sub-contractor inventories in the two countries, the two Governments together will explore the possibility of reciprocal treatment and will consult together for this purpose.

Accept etc.

JAMES F. BYRNES

CHAPITRE III/CHAPTER III

RÈGLEMENTS DE LA PAIX
PEACE SETTLEMENTS

PARTIE 1/PART 1

RÈGLEMENTS AVEC L'ITALIE
SETTLEMENT WITH ITALY

620. DEA/7

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 263 Ottawa, February 10, 1944

MOST SECRET. We have been following with considerable interest the work of the Advisory Council for Italy both because of its general importance and because a Canadian Army Corps is participating in the Italian campaign. We have noted that the Council is being enlarged to include Greek and Yugoslav representatives, and also that Soviet and perhaps French members are being added to the Control Commission established by the Italian Armistice.[1]

2. We have considered carefully the relationship of the Canadian Government to the Council and we have decided not to press for the representation of Canada at the present time. We should, however, have to reconsider our position if the Council were to be enlarged by the addition of representatives of states without important political interests in the Mediterranean. We appreciate the reports of the proceedings of the Council which we have received from the United Kingdom Government and we hope that they will continue to keep us well informed.

3. Our disposition not to seek representation on the Council is based on the belief that it can operate most effectively if there are represented on it only those countries most directly concerned with Italian political problems. This does not mean that we are prepared to acquiesce in the establishment on a similar basis of other international bodies in the functions of which we may have a more direct interest.

4. Will you please transmit to the Secretary of State for Dominion Affairs the view expressed in this telegram?

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[1] Voir Canada, *Recueil des traités*, 1943, N° 21.
See Canada, *Treaty Series*, 1943, No. 21.

621. DEA/7-Ls

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 346 Ottawa, March 24, 1944

SECRET

Sir,

In our telegram No.263 of February 10th we requested you to transmit to the Secretary of State for Dominion Affairs a statement of the attitude of the Canadian Government towards the representation of Canada on the Advisory Council for Italy. I should be glad to learn whether you have received any reply from the United Kingdom authorities to your representations on this subject. The announcement of the impending appointment of a Soviet Diplomatic representative in Italy, together with the decision of the United Kingdom Government to appoint Sir Noel Charles as United Kingdom member on the Advisory Council, and thus to separate their representation on the Council from the post of resident Minister at Allied Force Headquarters, Mediterranean Command, indicates that the importance of the Advisory Council is likely to be enhanced. The presence in Italy of a large body of Canadian troops naturally gives us a special interest in the relationship of the United Nations to the Government of Italy. While these recent developments would not justify in themselves a reversal of our decision against seeking representation on the Advisory Council, we are anxious to follow its proceedings closely and to be in a position to review our decision if this should prove to be desirable.

I have etc.

[W. L. MACKENZIE KING]

622. DEA/7-Ls

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A. 176 London, April 6, 1944

SECRET

Sir,

With regard to your despatch No. 346 of March 24th on the subject of Canadian representation at the Advisory Committee for Italy, I am enclosing herewith a copy of a letter from the Dominions Office to Mr. Hudd in reply to my letter of February 11th to Lord Cranborne, giving the Canadian views on

this subject.† You will have already received a copy of my letter which was sent to you at the time.

2. I think that developments up to the present date with regard to the Advisory Committee for Italy have been rather fully covered in recent Dominions Office telegrams, but I propose to keep in touch with you on this subject.

I have etc.

C. S. A. RITCHIE
for the High Commissioner

[PIÈCE JOINTE/ENCLOSURE]

Le Dominions Office au secrétaire par intérim, haut commissariat en Grande-Bretagne

Dominions Office to Acting Secretary, High Commission in Great Britain

WR. 222/2/56 London, February 25, 1944

MOST SECRET

Dear Hudd,

Lord Cranborne has asked me to say with reference to Mr. Massey's letter of 11th February† about the attitude of the Canadian Government to the Advisory Council for Italy, that he has informed the Foreign Secretary of the Canadian Government's views. He would be glad if you would convey to them his thanks for the communication, and say that the contents have been noted.

The Canadian Government will be kept informed, in the ordinary course, of the proceedings of the Council.

Yours sincerely,

IAN MACLENNAN

623. DEA/21-Gs

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

TOP SECRET Ottawa, January 6, 1945

Dominions Office telegram Circular D. 1885 of December 29th† reports that the United States Government are pressing for the conclusion of a "partial peace treaty" with Italy. The object would be to terminate the state of war and the special military arrangements now in force for protecting Allied interests. The partial peace treaty, however, would not include "matters relating to the post-war settlement." Their proposals are being considered in London and seem also to have been put to the Soviet Government. They intend to inform

the other Governments represented on the Advisory Council for Italy—i.e., France, Greece and Yugoslavia.

If this plan makes progress it raises the question of Canadian association in the negotiations and Canadian signature of the partial peace treaty. We have concurred, although with some reluctance, in exclusion from armistice negotiations, and this position can be justified on the ground that the conclusion and execution of an armistice is part of the general direction of the war in which the great powers must play the leading role. A treaty with Italy such as is proposed would, however, put to an end the state of war between Canada and Italy, which arose from the Canadian declaration of war with the approval of Parliament. It seems, therefore, that such a treaty could not be signed by representatives of the great powers alone even if they signed with our full approval of the contents of the treaty.

I think that we could not unreasonably agree[2] to a limited treaty of this sort being drafted without our full participation in the negotiations. We should perhaps, however, indicate at this stage that we would expect to be fully informed of the course of the negotiations and to be a party to the treaty, which would be signed by a Canadian plenipotentiary. We might go further and maintain that in view of the large part played by the Canadian Army in the liberation of Italy, we should be associated throughout in the negotiations. We have not, however, sought membership in the Advisory Council for Italy on the ground that our military activity did not carry with it a corresponding political interest. If you concur in this note, we shall prepare a draft telegram to London on these lines and I think it might be well also for the matter to be mentioned to the Department of State of the U.S.[3]

N. A. R[OBERTSON]

624. DEA/21-Gs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 11 Ottawa, January 16, 1945

TOP SECRET. Your telegram Circular D. 1885 of December 29th.† Partial Peace Treaty with Italy. If United States proposal is accepted, the Canadian Government would expect to be a party to the treaty and to appoint a Canadian Plenipotentiary to sign on its behalf, since such a treaty would presumably terminate the state of war of all the United Nations which declared war on Italy. Doubtless this point has already occurred to you.

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[2]Note marginale:
Marginal note:
What does this mean? K[ING]

[3]Note marginale:
Marginal note:
I think we should take this course in the first instance weigh objections, if any, keeping in reserve—re being informed. K[ING] 7-1-45

625. DEA/21-Gs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 13 London, January 19, 1945

TOP SECRET. Your telegram January 16th, No. 11. Proposal for preliminary peace treaty with Italy.

Canadian interest in this matter is and will be kept fully in mind. It will, however, be seen from my telegram Circular D. 115 of today† that we do not favour United States proposal and hope to dissuade them from it.

626. DEA/21-Gs

Le sous-secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Under-Secretary of State for External Affairs to High Commissioner in Great Britain

SECRET Ottawa, June 25, 1945

Dear Mr. Massey,

With your despatch of June 16th† you enclosed a letter from Mr. Shannon in the Dominions Office, dated June 15th,† to Mr. Holmes, forwarding a preliminary draft of a proposed treaty with Italy, together with an explanatory memorandum prepared in the Dominions Office.†

It is understood that the memorandum has not yet been submitted to United Kingdom Ministers and cannot be regarded as representing at this stage United Kingdom Government policy. We welcome, however, this opportunity of expressing in an informal manner some views resulting from a preliminary examination of these documents in the Department. It would be appropriate for Mr. Holmes to pass these comments on informally to Mr. Shannon.

According to the Dominions Office memorandum, it is apparently contemplated that the peace treaty should be concluded between Italy on the one hand and the United Nations at war with Italy on the other; and that for the purposes of the treaty the United Nations would be referred to collectively by some such designation as "The Associated Powers." It is not clear either from this memorandum or from the "Draft Heads for Political Sections" what countries are intended to be designated as Associated Powers. It is, however, our view that any peace treaty with Italy (as distinct from an armistice) should be concluded as between each state at war with Italy on the one hand and the Italian Government on the other. We feel that each of the United Nations at war with Italy should be a separate signatory of the treaty and should therefore necessarily have had an opportunity of being officially consulted regarding the terms prior to signature.

The negotiation of the treaty is a different matter and here we recognize the validity of the argument that the Governments of the United Kingdom, the United States, the Soviet Union and France should accept primary responsibility. As suggested in para. 3 of the Dominions Office memorandum, certain United Nations having a more direct interest in Italy might properly be associated with the negotiations.

We would be inclined to agree that the aim of such a treaty should be to arrive at a final settlement with Italy. This would be likely to have the effect, as suggested, of encouraging the restoration of healthy political and economic conditions in a democratic Italy.

We are not sure as to the meaning of para. 5 of the Dominions Office memorandum, but assume from the Heads for Political Sections that it is intended that the treaty should cover all territories which Italy will be required to cede, although the final disposition of some territories by Italy as between the several claimants among the United Nations might be left for further consideration. This appears to be an essential arrangement and we should be glad to be informed as to whether our understanding is correct.

We recognize the validity of the conflicting factors in the Italian problem: the desirability on the one hand to establish a democratic and secure regime in Italy, and on the other hand to demonstrate to the Italian people that aggression does not pay. We are not, however, clear as to the meaning of the phrase that there cannot be "any question of admitting Italy's former pretensions to be a Great Power." Possibly the intention is that Italy should be excluded from a permanent seat on the Security Council in the new International Organization or in any other similar body to which Great Powers alone have claim. This in our opinion would be a reasonable attitude and one borne out by the history of Italy.

We would not undertake at this point to offer any comments on the detailed territorial arrangements suggested in the Draft Heads for Political Sections, but it would be appreciated if Mr. Holmes would discuss informally with Mr. Shannon these proposals, emphasizing in particular our interest in the form of the Treaty and the procedure for its negotiation in the light of our comments above.

Yours sincerely,

J. E. READ

627. DEA/21-Gs

Le haut commissaire en Grande-Bretagne au sous-secrétaire d'État suppléant aux Affaires extérieures

High Commissioner in Great Britain to Deputy Under-Secretary of State for External Affairs

SECRET London, July 6, 1945

Dear Mr. Read,

In your letter of 25th June you raised several questions for informal discussion with the United Kingdom authorities in connection with the preliminary draft of a proposed treaty with Italy which I sent to you under cover of my despatch No. A.221 of 16th June.[†] Mr. Holmes has discussed these matters with Mr. Shannon of the Dominions Office. The results of this discussion indicate that there is little, if any, difference of opinion between the United Kingdom and Canadian authorities on this subject.

(i) In the third paragraph of your letter you commented on the apparent intention to refer to the United Nations collectively in the treaty as "The Associated Powers." The United Kingdom proposal is that each nation at war with Italy should be a separate signatory. It is necessary, however, that some term be used in the text of the treaty to represent all the signatory nations and it is proposed that this term be "The Associated Powers." This custom, although a different designation, was adopted in the case of the Treaty of Versailles, and is, I believe, customary in such documents. A definition of the countries included in the term or terms used will presumably be included in the introduction to the Treaty. The United Kingdom apparently envisage also the official consultation of signatory powers on the terms of the Treaty but they are not certain how far the Soviet and United States governments will be prepared to go in this direction.

(ii) Your understanding of paragraph 5 of the proposed peace treaty is correct. Mr. Shannon admitted that the wording of the draft was not very precise. It is not precluded that the actual disposition of Italian territories to be removed from Italian control should be stipulated in the Treaty, but it is expected that the Treaty will do no more than state what territories are to be taken away. The fate of the Italian colonies must await decisions in the field of international trusteeship, and it is doubtful if the Treaty should be delayed until these questions are settled. The exact "extent," i.e. boundaries, of the ceded territories may have to be left for subsequent surveys. Mr. Shannon indicated that the United Kingdom saw the only satisfactory solution of the problem of Venezia Giulia in a division of that territory between Yugoslavia and Italy. He also indicated that they were reconsidering their earlier disposition to hand over South Tyrolean territory to Austria as there seemed no particular reason why Austria should be compensated at Italy's expense.

(iii) Mr. Shannon stated that your assumption as to the meaning of the statement that there was no question of admitting Italy's pretension to be a Great Power was also correct. Italy might take her place on various international bodies in accordance with her functional interests and stature, but in the case where special positions were conceded to the Great Powers, i.e. those which are great for reasons of military potential, she would not be an aspirant to such a position.

As for the timetable of the treaty negotiations, Mr. Shannon said that it had been hoped to get some decision from the Cabinet before this. There is, however, little hope of the Cabinet's considering this subject until after the election results are announced, i.e. about the end of July. In the meantime this subject will probably have been discussed at the Berlin Conference, in which

case the draft proposal under reference would be given to the Prime Minister to put forward. By the time the Cabinet considers the subject the attitude of the other principal powers will be better known.

Mr. Shannon said in conclusion that if the Canadian Government wished to make any specific suggestions concerning the territorial arrangements or other related matters, they would be glad to see them if possible before the Three-Power meeting.

No further steps seem to have been taken concerning the secret armistice terms with Italy.[4] However, at a press conference in Milan on 21st June Field Marshal Alexander[5] is reported to have said that he saw no reason why the armistice terms should not be published, although there might be some political reason. Some political elements, he said, might want to make capital out of any publication. At the same time he said that Italians had worked their passage very well and had given very important help to the Allied cause. Venezia Giulia, he said, would remain under Allied trusteeship until its future had been decided at the peace conference.

Yours sincerely,

VINCENT MASSEY

628. DEA/21-Gs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1225 London, July 14, 1945

IMMEDIATE. TOP SECRET. My telegram Circular D. 597 of April 12† and my telegram Circular D. 1224 of today†, paragraph 2(1). Proposed Peace Treaty with Italy.

1. On present information it seems unlikely that question of Treaty will come up at Berlin meeting save in a preliminary way for discussion of principle involved. We think, however, that it will be useful for United Kingdom delegation to be furnished with guidance as to our views and with draft heads for political sections of Treaty.

2. We therefore propose to give United Kingdom delegation statement which was summarized in note communicated informally to your High Commissioner's office in London on June 15th, draft heads which were also enclosed and certain additional points which are contained in my two immediately following telegrams.† Should be greatly obliged if you would let us know before the end of next week whether you have any comments.

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[4]Voir Grande-Bretagne, *Documents Relating to the Conditions of an Armistice with Italy (September-November 1943), Italy No. 1.* Cmd. 6693, Londres, H. M. Stationery Office, 1945.
See Great Britain, *Documents Relating to the Conditions of an Armistice with Italy (September-November 1943), Italy No. 1.* Cmd. 6693, London, H. M. Stationery Office, 1945.

[5]Commandant suprême allié, théâtre mediterranéen.
Supreme Allied Commander, Mediterranean Theatre.

629. DEA/21-Gs

Projet de télégramme du secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Draft Telegram from Secretary of State for External Affairs to Dominions Secretary

TELEGRAM Ottawa, July 21, 1945

TOP SECRET. Your circular D. 1225 of July 14th and related telegrams† dealing with proposed Peace Treaty with Italy.

1. We agree that the time has now come when a Peace Treaty should be concluded with Italy which would have the effect of encouraging the restoration of healthy political and economic conditions in a democratic Italy and which would enable her to play a useful, if relatively modest, part among the Nations. The Canadian Government are in general agreement with the terms outlined in the Draft Heads for the political sections of the Treaty as contained in the Dominions Office informal letter of June 15th and supplemented by your circular D. 1226 and 1227 of July 14th.†

2. We also agree that a public statement by the United States, United Kingdom and Soviet Governments at the Berlin meeting that they favoured the early conclusion of a Peace Treaty and would recommend this course to other interested Allied Powers, would be desirable, all the more so as it seems to us particularly important that Italy and the world at large should be impressed with the joint and agreed character of Allied policy with regard to Italy.

3. We consider that the admission of Italy to the World Security Organization would in due course be desirable and indeed essential to the restoration of Italian self-respect and to the assumption by Italy of her international responsibilities.

4. We are particularly impressed (a) with the necessity of preventing the Italian question becoming a cause of dissension between the United Kingdom, United States and Soviet Governments; (b) with the desirability of maintaining a moderate and genuinely democratic government in Italy. With these objects in view we consider:

(1) That it might be desirable in view of the known attitude of the United States to avoid insistence on severe treatment of Italy which would fail of acceptance by the United States Government and might identify the United Kingdom Government in the minds of Italians with a policy of severity towards Italy.

(2) We agree that it is essential, as suggested in your circular D. 1224 of July 14th†, that the United States should be encouraged to take a continuing interest in Italy. On the other hand, as you no doubt appreciate, some sections of United States opinion are inclined to be critical on this subject. It is therefore obviously desirable to avoid anything which might convey the impression that a deliberate attempt is being made to involve the United States in Italy.

(3) We also consider, and we are sure that you are in full agreement with this view, that every possible effort should be made to insure Soviet agreement with the main policies adopted towards Italy.

5. In addition to the general considerations outlined above, there is the question of the position of Canada and other United Nations with regard to the proposed Peace Treaty. As explained in my telegram No. 11 of January 16th, the Canadian Government would expect to be a party to the Treaty and to appoint a Canadian plenipotentiary to sign on its behalf. We agree that the Peace Treaty with Italy should be concluded as between each state at war with Italy on the one hand and the Italian Government on the other. As each of the United Nations at war with Italy would be a separate signatory of the Treaty, we consider that they should therefore necessarily have had an opportunity of being officially consulted regarding the terms prior to signature, and we hope that the Russians can be induced to agree to this procedure.

6. The negotiation of the Treaty is, of course, a different matter and we recognize that the Governments of the United Kingdom, the United States, Soviet Union and France should have the primary responsibility. As you have suggested, certain other United Nations having a particular interest in Italian questions might properly be associated with the negotiations.

630. DEA/21-Gs

Mémorandum du sous-secrétaire d'État associé aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Associate Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

Ottawa, July 24, 1945

With regard to the proposed peace treaty with Italy, I have studied the draft telegram to the Dominions Office and also considered your suggestion that there might be separate instruments with Italy, such as a general peace treaty signed by all the United Nations at war with Italy and a treaty in which the provisions placing special obligations on the great powers would be segregated from the rest and would be made between them and Italy without the participation of other countries. I attach a memorandum on this suggestion which has been prepared by Mr. Ritchie. I think that it would be difficult to work out this idea in practice for the reasons which he gives.

We cannot, however, very well reach even a tentative conclusion on the United Kingdom drafts until the political sections of which we have been informed are supplemented by the military, economic and financial provisions. According to the memorandum sent by the Dominions Office to Canada House of June 15th† these provisions were being considered separately. It may be that they will contain articles to which we would not be willing to subscribe.

None of the Dominions Office telegrams mentions the opposition likely to be encountered from Greece to the early admission of Italy to the International Organization and the restoration in general of that country to respectable

international society. I recall that at San Francisco the Greek representatives were very anxious to make sure that Italy was regarded as an enemy state under the articles of the Charter (53 and 107) which make special provision for action against enemy states. This aspect, however, seems to be a matter we can leave to the British Government in view of its special interest in Greece.

I think that we might consider the following changes in the Draft telegram to the Dominions Office:

1. I am not sure of the wisdom of supporting the admission of Italy to the International Organization as a special case ahead of neutral states and all other ex-enemy states. We might, therefore, add to paragraph 3 of the telegram a sentence on the following lines:

"In view, however, of the voluntary declaration of war by Italy in 1940 and the severe losses and hardships inflicted by Italy, on Greece, Yugoslavia, France and countries of the British Commonwealth, we feel that consideration should be given to the earlier or simultaneous admission to the World Security Organization of some of the neutral and former satellite states."

2. We might add at the end of paragraph 5 something like the following:

"Unless arrangements could be made for effective official consultation which will give a real voice to countries that fought and suffered in the war against Italy, it might prove desirable to conclude a brief general peace treaty with Italy signed by all concerned and to supplement this by a separate treaty between the Four Powers and Italy dealing with all the matters left over for settlement by the Four Powers."

H. W[RONG]

The reason for the desp[atch] of comments on these lines has now passed. Doubtless something now will emerge from next month's Council of Foreign Ministers, wh[ich] will have this Italian Treaty at the top of their agenda.

H. W[RONG]

P.S. Note that foll[owing] para[graph]s of U.K. draft would confer special rights on the 4 powers: 8-13, 19-23, 31-36.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du chef, la première direction politique

Memorandum by Head, First Political Division

SECRET Ottawa, July 24, 1945

PEACE TREATY WITH ITALY

The territorial provisions in the United Kingdom Draft Heads† for the Peace Treaty are contained in Part II: Political (Europe) as outlined in the Dominions Office informal letter of June 15.† Under Section I General, Italy is required to recognize as null and void all territorial acquisitions made by her since June 9, 1940. There then follow specific renunciations of territories and claims of territory which are required of Italy. These may be roughly divided

into two categories (although provisions with regard to the Tangier Convention, mandates and Congo Basin Treaties do not fall into either category). The first category are renunciations of territories belonging to other states, including France, Albania, Ethiopia, etc. The second are renunciations made by Italy in favour of the Four Powers. These refer to Venetia Giulia, Zara and the Dalmatian Islands, Pantellaria and the Pelagian Islands, the Dodecanese, and Italian Colonies. Italy is called upon to recognize the arrangements for the interim administration of such territories by the Four Powers and to accept in advance the final settlement in regard to these territories made by the Four Powers.

The suggestion that there should be two Peace Treaties with Italy, one signed by all the United Nations at war with Italy from which the territorial settlement would be excluded, and the other signed by Italy and the Four Powers which would deal with the territorial settlement, would appear to involve the following considerations:

1. Canada would not be called upon to underwrite the decision by which Italy agrees to cede certain territories to the Four Powers for their ultimate disposal. This may seem logical in so far as Canada and the other United Nations, with the exception of the Four Powers, will not presumably participate in the eventual disposal of these territories;

2. There would, however, likely be objection on the part of the Great Powers to a suggestion for two separate treaties with Italy on the following grounds:

(a) The Great Powers will wish to associate as many of the United Nations at war with Italy as possible with the territorial settlement;

(b) It may be argued that if the territorial terms of the peace settlement with Italy are dealt with in a separate instrument, the Italians might later argue that this latter instrument had less moral validity than the main peace treaty to which all the United Nations at war with Italy are parties;

(c) In any event the treaty incorporating the territorial settlement would have to be signed by other United Nations in addition to the Four Powers. These would include those United Nations involved directly by Italian renunciation of claims on their territories such as Albania, Ethiopia, etc.

It would hardly be possible to separate the territorial clauses which relate to cessions of territory to the Four Powers from the other renunciations of territory which Italy is called upon to undertake. Such an arrangement might give a handle to later Italian propaganda to the effect that while they were willing to abide by their cessions involving territories of other United Nations such as Albania, the cession of territory to the Four Powers came into another category and had been extorted from them.

3. It is quite possible that other United Nations may object to being left out of the Treaty incorporating the territorial cessions by Italy (e.g. Yugoslavia and Greece). South Africa might wish to be a signatory to the clauses whereby Italy renounces her Colonial claims in Africa.

4. A possible way of meeting some of these difficulties might be to omit the specific clauses dealing with territorial cessions by Italy, from the main Treaty

but to leave in a general clause which might read something like this: "Italy is to recognize as null and void all territorial acquisitions made by Italy since the 9th June, 1940, and to agree to such other cessions of territory as may form the subject of a further Treaty to be concluded between her and the Four Powers." It would presumably be very difficult for the Italian Government to sign a Treaty which contained so vague and general a clause regarding cession of Italian territory. Moreover, there would be little real advantage from our own point of view as we would be committed to the principle that territory ceded by Italy would be left to the disposal of the Four Powers and that is in any event the principle to which we are committed by the present Draft Heads. We should simply avoid being signatories to the clauses spelling out the specific cessions of territory demanded of Italy.

5. We have also to bear in mind the possible effects of the precedent that we shall be creating by our suggestion that the territorial settlement with Italy should be the subject of a separate treaty to which we are not a party. This may be regarded as a merely formal point in view of the fact that in any event we shall probably have no say in the disposal of the territory ceded by Italy. On the other hand there is already a tendency to ignore even the formal claims of smaller Powers in matters connected with the peace settlement in Europe and presumably we do not wish to encourage this tendency. By signing a full treaty including the territorial cessions we and all the other United Nations at war with Italy will have set the seal of approval on the principle that the Four Powers should dispose of certain former Italian territories. Presumably we have no objection to this decision in principle and as a belligerent against Italy it may be argued that we should be responsible parties to this decision which is an essential part of the settlement with our former enemy. We are *not* called upon to accept any responsibility under this Treaty for the disposal of those territories or for such frontier arrangements with regard, for instance, to Trieste as may be decided by the Four Powers. It would obviously be open to us at a later date, if difficulty arose regarding the disposition of these territories, to point out that, although we had been a party to the decision that the Four Powers should dispose of them, we were not a party to the arrangements which they had made among themselves for the final allocation of the territory.

C. R[ITCHIE]

PARTIE 2/PART 2

CONSEIL DES MINISTRES AUX AFFAIRES ÉTRANGÈRES
COUNCIL OF FOREIGN MINISTERS

631. DEA/7-CZs

Mémorandum du chef, la première direction politique

Memorandum by Head, First Political Division

TOP SECRET Ottawa, August 14, 1945

MEMORANDUM ON THE COUNCIL OF FOREIGN MINISTERS AND CANADA'S PARTICIPATION IN THE PEACE SETTLEMENT

The establishment of a Council of Foreign Ministers as described in the communiqué of the Potsdam Conference,[6] does little to change the essential position so far as the participation of Canada and other United Nations in the peace settlement is concerned. It is, however, quite clear that Canada cannot under these arrangements expect to participate directly in drawing up the peace treaties or in the negotiation of a new territorial settlement in Europe or Asia. Our claim as belligerents will not under the proposed arrangements be admitted as giving us any right to participate as principals. So far as the negotiation of the peace treaties is concerned, nations other than the 5 Great Powers would only be invited to participate when "matters directly concerning them are under discussion." It is hard to think of any question which under this formula would be recognized as directly concerning Canada. The Potsdam communiqué does indeed state that the peace treaties are to be prepared "with a view to submission to the United Nations," but this would in all probability be a pure formality.

The situation is put clearly enough in the Dominions Office telegram to Dr. Evatt of August 6th,[†] which states, "The whole conception on which we are now working is that it is no use bringing forward matters which will have to be settled at the Peace Conference unless and until the issues in question have been worked out beforehand in a smaller body, and the body which it is contemplated should do this work is the Council of Foreign Ministers now set up as a result of the Berlin Conference." A Peace Conference, therefore, if it is held at all, will simply give the other United Nations an opportunity to register their formal approval. Indeed, it would appear from the Dominions Office telegram of August 6th that it is doubtful whether Canada and the other Dominions would even be invited to give their separate signature to the peace treaties. The proposals contained in this telegram for consultation with the Dominions do not, of course, refer to official consultation as principals in the

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[6]Pour le texte du communiqué, voir États-Unis, *Department of State Bulletin*, vol. 13, 5 août 1945, pp. 153-61.
For the text of the communiqué, see United States, *Department of State Bulletin*, Vol. 13, August 5, 1945, pp. 153-61.

peace settlement, but simply to consultation between the United Kingdom Government and the various Dominion Governments.

Insofar as the Council of Foreign Ministers is authorized to deal with other matters than those arising out of the peace settlement, the position with regard to the participation of other United Nations is the same. They are to be invited to participate when a question of direct interest to them arises.

It appears that the Council of Foreign Ministers is to be a semi-permanent body. It is referred to in the telegram of August 1st from the Prime Minister of the United Kingdom to the Prime Minister† in the following terms: "In the new Council of Foreign Ministers we hope to have a machine for continuing co-operation between the Great Powers." It is, therefore, apparently not intended merely to fill the gap during the transitional period before the United Nations Organization begins to function. No attempt is made in the Potsdam communiqué to relate the functions of the Council of Foreign Ministers to those of the Security Council. It is possible, however, that questions may arise, e.g. in the sphere of peaceful settlement of disputes, which might be dealt with by either body. It is possible that such questions may tend to be referred to the Council of Foreign Ministers in preference to the Security Council on the ground that they arise out of the peace settlement.

Dr. Evatt's Demands—Dr. Evatt's telegrams to the Dominions Office, although couched in characteristically truculent language, contain much that is well founded and reasonable. On the other hand, it has been perfectly plain for some time that none but the Great Powers would play a part as principals in the negotiation of the peace settlement, at any rate in Europe. Dr. Evatt is well aware of this and he is also aware that the United Kingdom Government is in no position to alter the situation which appears to result from the insistence of the U.S.S.R. and perhaps to some extent, of the United States. There is therefore an element of bluff in Dr. Evatt's arguments for Australia's full participation.

Canada's Position—Canada is in much the same general position as Australia with regard to participation in the peace settlement. We should find ourselves in agreement with Dr. Evatt's analysis of the implications of the establishment of the Council of Foreign Ministers, and we have in communications to the United Kingdom Government advanced many of his arguments in favour of our own participation in the peace settlement.[7] But it is now sufficiently obvious that the Great Powers intend to keep the negotiation of the peace settlement in their own hands with the minimum of consultation with the other United Nations. It is therefore necessary to consider the line which we should adopt in view of this situation.

On the grounds that we do not wish to be associated with territorial settlements for which we are not responsible, we might put forward the suggestion that there should be two sets of peace treaties. In the case of Italy, for example, there might be a general treaty terminating the war with Italy to

[7]Voir le document suivant.
See the following document.

which all countries which had been at war with Italy would be signatories. There might then be a further treaty dealing with the disposition of territories removed from Italy and presumably with other questions which are to be decided by the Great Powers. The latter treaty would be signed only by the powers directly responsible for the settlement.

It is not altogether easy to estimate the reaction of the United Kingdom Government and of the other Great Powers to a suggestion for double sets of peace treaties. It is rather to be anticipated that the United Kingdom Government would prefer to see the Dominion Governments separate signatories to one full and entire peace treaty with each of the ex-enemy states. It is possible, on the other hand, that the suggestion for two sets of peace treaties might be welcome to the United Kingdom Government who may be faced with difficulties in obtaining the assent of some of the other Great Powers to our separate signature of the peace treaties. It is probable that some of the middle and smaller powers would wish to be signatories to the terms incorporating the territorial settlement with the enemy, so that in practice it would probably not be possible to have one set of treaties for the signature of the Great Powers only and one set for general signature.

One objection to this suggestion seems to be that the gap between the Great Powers and the other United Nations would be widened by such a procedure. By suggesting two separate peace treaties with each belligerent, we should be taking the responsibility for a step which would regularize this distinction between the Great Powers and the other Allies. It would be difficult after taking such a step to complain of further instances of our exclusion from the councils of the Great Powers. It would seem important for the record that it should be quite plain that it was the decision of the Great Powers that led to our exclusion from the negotiation of the peace settlement and that it should not be possible to argue (however mistakenly) that we had voluntarily withdrawn from responsibilities arising out of the war.

Another difficulty which might arise is due to the misunderstanding of the position of the Dominions which exists to some extent in many foreign countries. If the United Kingdom Government is left to sign alone the main treaties incorporating the peace settlement in Europe and in Asia, will there not be a tendency in certain foreign capitals, e.g. Moscow, to assume that the United Kingdom Government is signing not only in her own name but in ours also? Although we may do our best to make it plain that this is not the case, our position will be understood with difficulty in foreign countries, particularly as it is known that we and the other Dominions have been consulted by the United Kingdom Government at every stage of the negotiation of the peace settlement.

Finally, it would not be easy to abstain from signing the treaties incorporating the territorial settlement in Europe and Asia without conveying the impression both at home and abroad that the Canadian Government did not approve the settlement contained in these treaties.

It may be decided not to proceed with the suggestion for two separate sets of peace treaties but rather to continue to press for a greater measure of

participation in the peace settlement. In that event we might prepare a statement of our case for communication to the United Kingdom Government and possibly also to the United States, Soviet and French Governments. This need not necessarily be a formal communication, but might take the form of instructions to our representatives in London, Washington, Moscow and Paris on which they should base conversations with the Foreign Ministers of these countries. Our claims should be moderately stated. We should make it plain that we recognize and indeed welcome the leadership of the Great Powers in the negotiation of the peace settlement. We should refrain from putting forward the impracticable demand advanced by Dr. Evatt for participation as principals in all decisions involved in the peace settlement in Europe and in Asia. We should, however, point out that in view of the sacrifices and exertions of Canada in this war, we cannot acquiesce in our total exclusion from the negotiation of the peace settlement and we should certainly be signatories to the treaties which end the war.

It would be optimistic to suppose that these representations would be productive of any very substantial results. If they were made in Moscow and Washington, they might be expected to have a somewhat negative reception, and it is likely that they would only draw a weak and worried reply from the United Kingdom Government. The fact of the matter is that no course open to the Canadian Government will have much effect on the plans laid down at Potsdam. It may be argued that in such a case when any action is likely to be ineffective, inaction is preferable. On the other hand, by making representations we should at least put our case on record so that it could not be said that we had acquiesced in the present arrangements without making our position plain. We might even secure for Canada a further measure of official consultation and our representations might have the effect of strengthening any later claims which we may put forward for participation in any special question arising out of the settlement in Europe or Asia.

In this general connection it may be advisable to take advantage of the suggestion contained in the telegram of August 1st from the Prime Minister of the United Kingdom to the Prime Minister† for consultation with the Foreign Secretary. Possibly Mr. Pearson while he is in London might have a talk with Mr. Bevin.

[C. RITCHIE]

632. DEA/7-CZs

Le secrétaire au Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1542 London, August 24, 1945

IMMEDIATE. SECRET. PERSONAL. Following personal for the Prime Minister from the Prime Minister, Begins: Council of Foreign Ministers is, as you know, due to meet on September 10th. Questions which it is likely to discuss raise issues of grave importance not only as regards Europe, but as regards the world

as a whole and the future stability of the peace. For instance, the settlement of peace treaty with Italy involves future of the Italian Colonial Empire and this in its turn is linked with the question of the Mediterranean and Middle East generally. In addition, the question of Trieste is vital to trade from the point of view of access to Central Europe. Moreover, it seems clear that Far Eastern problems will necessarily have to come before the Council. A sound solution of these problems is as vital for other Commonwealth countries as for the United Kingdom and I am anxious, therefore, that there should be the fullest and most effective consultation between us in the hope that on all major issues, at any rate, we may succeed in establishing an identical point of view. This is the more necessary in view of the indications which the Russians, more especially, have given of their probable attitude. By their statements at the Berlin Conference, they have shown disturbing signs of wishing to expand their influence both in the Mediterranean and the Middle East (for example, they may well lay claim to trusteeship over one of the Italian Colonies in Africa) and it is evident from their actions that they intend to expand in the Far East. The United States, on the other hand, though not in sympathy with the Russian attitude, cannot be relied on to press their opposition except where their own interests are obviously and directly involved.

The close and vital interest of the Dominions in issues of the kind referred to is plain and we, for our part, think that this should be recognized by the admission of Dominion representatives to participate in meetings of the Council when they are discussed. We shall do our utmost to secure this under the appropriate provision of the Council's constitution but cannot, of course, guarantee that we shall be able to carry the other members of the Council with us and we see no hope of arranging this specifically in advance of the meeting.

Having regard to the essential importance to each of us of the issues involved, we should like to ensure closer consultation between us on these matters than is possible by the normal channels of telegraphic communication, especially at a time when immediate decisions may have to be reached. We will, of course, keep you fully informed both of our views and of developments and shall welcome your comments on these. But we should hope that, particularly having in view the possibility of Dominion participation in the Council meetings as explained above, you would find it possible to arrange for current and continuous personal discussion as well while the Council is sitting. The most valuable course of all would naturally be if you and the other Prime Ministers felt able to come to London for this purpose and we should greatly welcome this if it were feasible. We recognize, however, the great difficulties which this may involve for you. If in view of these you could not arrange to come yourself, could you designate some special representative fully conversant with your views and able to speak with authority on your behalf.

I should be grateful for your views upon this at the earliest possible date. I much regret having to raise such a proposal at such short notice, but the recent course of events and the magnitude and significance of the issues with which we are faced have convinced me that it is only by some such personal contacts

that we can hope to safeguard the interests which affect us each and all so vitally. Ends.

633. **DEA/7-CZs**

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

TOP SECRET Ottawa, August 28, 1945

Herewith are copies of Dominions Office telegram D.1542 of August 24th from Mr. Attlee to the Prime Minister and of the draft reply[†] you went over this morning.

You have asked for a note listing consideration which might be urged for or against Canadian acceptance of the invitation to send a special representative to London to be present for consultation with United Kingdom Ministers during the meeting of the Council of Foreign Ministers and, if so invited, to attend meetings of the Council.

Arguments which might be adduced in favour of acceptance include

1. We have from time to time expressed a desire to have an effective part consonant with our war effort in the determination of the peace settlement and this proposal goes some way towards falling in with our views.

2. The emphasis placed by Mr. Attlee on effective consultation with the Dominions differs from Mr. Churchill's attitude which has often been the cause of embarrassment and difficulty to us.

3. To reject the invitation might be regarded as evidence of lack of interest on our part which might prejudice our position later on.

4. The extension of the invitation will become a matter of public knowledge. Any reply which may be sent must be weighed in the light of public and parliamentary opinion here.

5. We shall be involved before long in grave decisions concerning the atomic bomb, a matter on which for the moment at least we probably rank with the great powers. This is likely to be a subject of discussion either in the Council or behind the scenes during the sessions of the Council.

The following considerations however appear to outweigh the arguments for acceptance of the invitation as now put:

1. "An identical point of view" on matters respecting the settlement can only be achieved through Cabinet decisions and not through consultation in London between the British Government and representatives of the Dominions.

2. The invitation is to consult during the Council's proceedings with the United Kingdom representatives and any influence we might exert on the Council's decisions would be through the United Kingdom representative and not direct unless we were invited to sit with the Council.

3. It is obvious that the Prime Minister cannot go to London at present nor [can] any other senior member of the Government. It seems fairly certain that the other Dominion Prime Ministers cannot also leave their countries although they may send Cabinet Ministers. Australia is sending Dr. Evatt. We have no word yet as to how South Africa or New Zealand is replying.

4. The form of the invitation is open to criticism on several points. Furthermore, it is open to question whether its acceptance might not be regarded in some quarters as a reversion towards the "one voice" doctrine.

5. While Canada will be very directly concerned with the end result of the Council of Foreign Ministers' efforts to prepare a general European settlement, this country has not a specific and distinctly Canadian interest in most of the individual questions which make up the agenda for the London meeting.

634. DEA/7-CZs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 199 Ottawa, August 28, 1945

IMMEDIATE. TOP SECRET AND PERSONAL. Addressed London No. 199, repeated Canberra No. 15, Wellington No. 16, Pretoria No. 12. Following personal for the Prime Minister from the Prime Minister. Begins: Your telegram D.1542 of August 24th.

1. I appreciate your efforts to devise some workable arrangement for associating other Commonwealth countries more closely with the deliberations of the Council of Foreign Ministers, and I recognize the great importance of the issues which will be considered by it. I also share your desire for full consultation between Commonwealth Governments on questions of common concern, and I shall be very glad, if opportunity occurs, to talk over with you all matters of mutual interest to our governments. As things stand, however, with the first session of a new Parliament opening on September 6th, it is quite impossible for me or one of my colleagues to go to London to attend Commonwealth discussions held on the margin of the meeting of Foreign Ministers.

2. Fortunately our channels for swift and direct intergovernmental communication are excellent. As you know, I have long held the view that the most effective means of consultation within the Commonwealth are provided through the continuing Conference of the Cabinets of the Commonwealth which use of those channels makes possible. Neither I myself nor anyone whom I might designate could without prior consultation speak with authority in London on behalf of the Cabinet on issues arising there from day to day.

3. I recognize in your proposals a desire to associate other Commonwealth countries more closely with the taking of decisions likely to affect their immediate or ultimate interests. With this object I am in full sympathy. As you are aware, the Canadian Government has from time to time felt impelled to take exception to the operation of war-time arrangements under which

responsibility for major decisions on the direction of the Allied war effort was concentrated in very few hands. We have felt that this centralization of authority, defensible in war-time, would at once become harder to accept and explain when the fighting was over.

4. I acknowledge gratefully the steady flow of valuable information which reaches us from London, but I cannot consider that the receipt of this information gives to Canada effective participation in the great decisions that confront the world. The methods developed of arriving at private settlements between the great powers of issues of general interest are becoming a source of difficulty and even of danger, on which I have had it in mind to comment since receiving your invitation, in your telegram D. 1342 of August 1st,† to express my views on the results of the Berlin Conference.

5. You and we are confronted with a situation which, I imagine, is not much liked by either of us. The central difficulties, as I see them, do not arise from defects in our means of consultation within the Commonwealth. They stem directly from the continued use of methods improvised to meet the urgent strains and hazards of war. For instance, I felt at the San Francisco Conference that the preliminary settlement between the great powers in private meetings of matters of general concern coming before the Conference at times unnecessarily tried the patience of all the more responsible smaller countries. We have been concerned lest the Council of Foreign Ministers should continue the war-time pattern through the framing of the peace settlement and into the United Nations Organization. It would, for example, be particularly unfortunate in our view if operations of the Council of Foreign Ministers, composed as it is of representatives of states with permanent seats on the Security Council, were to lead to a system whereby the permanent members virtually settled in advance between themselves all important matters coming before the Security Council.

6. I think that I appreciate your very great difficulties as well as your desire to lessen ours. We would welcome the success of your efforts to bring about the direct participation in the Council of Foreign Ministers of Dominion representatives, and also of representatives of other closely interested smaller countries. This incidentally might have the useful result of bringing new influences to bear which at times might make agreement easier with other governments. If you are able to secure the concurrence of the other members of the Council to Canadian participation on a satisfactory basis, we shall do our best to arrange to be as suitably represented as possible on short notice. Ends.

635. DEA/7-CZs

Le secrétaire d'État aux Affaires extérieures au ministre des Affaires extérieures d'Australie

Secretary of State for External Affairs to Minister of External Affairs of Australia

TELEGRAM 14 Ottawa, August 28, 1945

TOP SECRET AND PERSONAL. Following for Dr. Evatt from the Prime Minister, Begins: You will see from the telegram which I am sending Attlee and repeating to Australia on the Commonwealth discussions proposed for London next month that I have covered some at least of the questions raised by you in the messages exchanged with the Dominions Office a few weeks ago[*], of which you kindly furnished me with copies. I think that there is nothing I can usefully add at present to what I have said to Attlee. Best wishes. Ends.

636. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2565 London, September 6, 1945

SECRET. Your telegram No. 1984 of August 29th.[†] Council of Foreign Ministers.

1. United Kingdom propose to raise at first meeting of Council on Monday question of participation of representatives of Commonwealth and other Governments. They feel reasonably certain of success, although it is not clear what the exact nature and extent of that participation might be.

2. Until this matter is settled, the Dominions Office apparently have no plans for regular meetings of Secretary of State with Commonwealth representatives to keep them posted on the course of the meetings. They seem also to be waiting for Dr. Evatt to arrive today and announce his expectations. Meetings with Mr. Bevin or Lord Addison would be a valuable source of information, although they could scarcely be more than this as, according to present indications, Dr. Evatt would be the only representative able to express his Government's views with any authority. South Africa is not sending a representative from Pretoria. The New Zealand High Commissioner is in Wellington, and New Zealand representatives here have had no indication of their Government's attitude. I should be grateful for your views and any interim instructions as far as this office is concerned.

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[*]Voir les documents 631, 634.
See Documents 631, 634.

3. Foreign Office unofficial estimate is that Council meetings will last two weeks. They seem doubtful if they will get beyond consideration of peace treaties with Italy and the satellite States and arrangements for the permanent secretariat.

637. DEA/7-CZs

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2073 Ottawa, September 8, 1945

SECRET. Your telegram 2565 of September 6th. Council of Foreign Ministers. Please report immediately any arrangements which may be proposed by the United Kingdom authorities for consultation with Commonwealth representatives during the meeting of the Council. Until their suggestions are known it is difficult for us to give you interim instructions. In the event of an invitation being received from the Council for Canada to participate as a temporary member, we shall endeavour to send a representative from Ottawa. Meanwhile you are authorized to attend any meetings called by United Kingdom Ministers for the purpose of receiving information on the proceedings of the Council.

638. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2601 London, September 10, 1945

MOST IMMEDIATE. SECRET. Your telegram No. 2073 of September 8th. Council of Foreign Ministers.

1. At meeting of Commonwealth representatives with Dominions Secretary this morning, Sir Ronald Campbell was present and indicated the line the United Kingdom intends to follow with regard to the relationship of Commonwealth countries to the meetings of the Council. Evatt was not present at this meeting through illness, although he has already had discussions with Bevin and I understand pressed for full participation in the deliberations of the Council.

2. We were informed that the United Kingdom representative in the Council will take the first opportunity to endeavour to secure the assent of his four colleagues to the proposal that Canada, Australia, New Zealand and South Africa have a "direct interest" in the questions of the Italian peace treaty and the disposal of the Italian Colonies. The United Kingdom also consider that

Australia, New Zealand and Canada must be regarded as having a "direct interest" in the Far Eastern questions which may come before the Council.

3. The United Kingdom Government realise that other United Nations, i.e. Greece, Yugoslavia and Ethiopia, are also interested in Italian questions and must also be associated with the Council's work. To allay anxiety among these directly interested States, the United Kingdom representative will propose that the Council pass an early resolution expressing its intention to invite their representatives for consultation, and naming the States to whom this invitation would be sent. At the same time, the Council might formally invite the Governments concerned, as a preliminary step, to communicate to it their views in writing upon the nature of the peace settlement with Italy. This resolution would be published in a communiqué of the Council.

4. At the first meeting of the Council tomorrow, the United Kingdom hope to put their proposals forward, but it may well be that little progress will be made at the first meeting. As soon as the relation of the Commonwealth representatives to the meetings of the Council has been decided, I will inform you immediately in order that our future policy may be decided.

5. The observations of Sir Ronald Campbell conveyed the impression that the proceedings of the Council would be rather more interim and tentative than earlier communications seemed to suggest. He intimated that the meetings of the Council would probably continue for about two weeks, the subsequent work being carried on by Deputies and Sub-Committees.

639. DEA/7-CZs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D.1685 London, September 12, 1945

IMMEDIATE. TOP SECRET AND PERSONAL. Council of Foreign Ministers. My telegram of September 11th, Circular D. 1678,[†] paragraph 9. Deputies discussed on morning of 12th September question which United Nations should receive invitations to discuss Italian treaty orally with Council.

2. United Kingdom representative pressed that Canada, Australia, New Zealand, South Africa and India should receive invitations at same time as the three States invaded by Italy, in view of large contribution these five States made by their forces to defeat of Fascist Italy, and their direct interest in Italian settlement.

3. United States representative, while fully appreciating contribution of the five States, considered that, for practical reasons, Council should begin by consulting the three States named in their paper[9], and he suggested that the other United Nations entitled to sign the treaty would have a suitable

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[9] L'Éthiopie, la Yougoslavie et la Grèce.
Ethiopia, Yugoslavia and Greece.

opportunity to express their views when, in due course, the draft proposals were communicated to them.

4. French representative suggested that United Nations directly concerned, including countries suggested both by United States and United Kingdom delegations, should be invited by Council first to express their views in writing.

5. Soviet representative agreed in principle that countries which had been attacked by Italy deserved to be consulted. He drew attention to omission of Albania from the United States paper. He considered, however, that question of which States should receive invitations raised issues of such importance that it would be essential for the Foreign Ministers themselves to discuss it.

6. Representative of China supported Soviet proposal to submit question to Council. This was agreed.

7. French representative raised question who would represent Austria if Austria were invited.

8. United States representative said that United States Government hoped that by then some Austrian Government would have been recognized.

9. At afternoon meeting of Foreign Ministers, which considered report in sense of preceding paragraphs, United States Secretary of State explained that United States Government had thought that it would be well to invite into consultation United Nations directly interested: they realized that many nations were more or less interested in Italian settlement; hence the proposal in United States paper to limit consultation in first place to those attacked by Italy. He recognized contribution of Dominions in war against Italy, but if list were to be extended to include all those who had made a contribution to defeat of Italy, Brazil and Poland and other States would assert that they had made a military or economic contribution equally deserving of this recognition. He foresaw that, for purposes of making progress at present meeting, this would be impracticable. The item was due to be discussed on following day and distant countries could not send representatives so soon. He, therefore, for the present dropped his suggestion as to Ethiopia, Yugoslavia and Greece. When future progress had been made, it would be possible to obtain a clearer idea as to which Governments were interested. In any case, draft proposals, when adopted by Council after consultation with such States as it decided to consult, would be submitted to all United Nations at war with Italy.

10. Foreign Secretary said that, notwithstanding withdrawal of United States suggestion, he must press claim of Dominions to be heard if they wished. He referred to their part in the war. Their connections with Europe were of vital importance to them. United Kingdom Government did not object to other Governments also being heard.

11. M. Molotov expressed appreciation of role of Dominions in war and sacrifices they had made. Principle of United States proposal for consultation with States attacked was correct. He suggested that position of Dominions should be discussed at a later stage. If everybody were to be consulted now, it would lead to great delay.

12. French Minister for Foreign Affairs, who also referred appreciatively to Dominions' share in war, suggested that interested States should be invited to submit views in writing. Alternatively, a special Commission could be appointed for purpose.

13. Mr. Byrnes then proposed that interested States should be invited to communicate their views in writing. Question which States should be invited for oral discussion could, meanwhile, form subject of consideration and report by Deputies.

14. M. Molotov said that he had already agreed with United States proposal as to countries attacked, but Albania should be included with these. He would find it difficult to discuss Istria or Trieste in absence of Yugoslavia, who had asked to be heard and had a direct interest. In principle, he also favoured participation of Greece but this question could be considered when Greece had a representative Government. At this point he circulated a paper on political situation in Greece.

15. Mr. Bevin said that United Kingdom did not demand special privileges for Dominions and was willing for other countries to be heard also, but he could not agree to participation of other countries unless Dominions participated. He had no objection to proposal to invite views in writing in first instance without prejudice to question of subsequent oral discussion, provided that views so presented were to be considered by Council so long as they were presented by a recognized Government. He could not admit that individual members of Council should discriminate among Governments.

16. Chinese representative suggested that States should be placed in three categories:

(1) Those attacked who should be heard at Council.

(2) Those who had made a military or economic contribution. These should, in principle, be heard but time and manner should be considered by Deputies.

(3) Other belligerents against Italy who should be asked to state their views in writing.

17. Mr. Bevin said that he could not agree to Dominions being put in category (2).

18. After further discussion, conclusion was reached that United Nations at war with Italy should be invited to submit in writing their views on peace treaty with Italy without prejudice to any claims they might have to make oral representations to Council at a later date. Deputies should consider on 13th September how invitations under (1) could best be extended and what would be most convenient procedure for arranging which Governments should be invited to make oral representations to Council at a later stage.

19. Further telegram[1] follows.

640. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2641 London, September 13, 1945

Council of Foreign Ministers.

1. I am informed that at meeting of Deputies held this morning to consider how invitations to interested States should be issued, no progress was made as there was great divergence of view as to States to which invitations should be issued and the text of the invitation. The Soviet Deputy brought up the question of the inclusion of Albania, the United States representatives have taken the stand that, while they have no wish to be exclusive, they think it necessary to keep the numbers of participants down at this stage, and that the countries mentioned in their paper had a concrete interest in the settlement. The matter has been referred back to the Council.

2. Mr. Bevin was present at a meeting of High Commissioners or their representatives in the Dominions Office today and was clearly discouraged as a result of the failure of his efforts so far. He said he would press for a final decision at tomorrow's meeting, and that either the case made for the representation of interested countries should be conceded, or he would suggest the postponement of the subject to a later date, without prejudice to those concerned, in order that the Italian treaty might be proceeded with. He felt that any further time spent on questions of procedure and failure to make progress would have an unfortunate effect on public opinion. He said privately that he felt the Five-Power meeting principle was not a very satisfactory working arrangement, and he was concerned at the absence of any intermediate body between the Council of Ministers and the United Nations. He expressed himself as in entire agreement with the views in the Canadian Prime Minister's telegram No. 199 of August 28th, paragraphs 3 and 4. Bevin conveyed the impression that he had some misgivings that the meeting might prove abortive. Apparently Molotov is pushing for the meeting to end on the 20th, and Byrnes is also anxious to get back to Washington.

3. It will be of interest to you to know that at a meeting at the Dominions Office yesterday, Dr. Evatt took a rather belligerent line about Commonwealth representation. He urged that the United Kingdom representative should refuse to recognize the propriety of the inclusion of Ethiopia, Yugoslavia and Greece (the countries mentioned in the United States paper, which, I gather, was something in the nature of a surprise) without equal representation by Commonwealth countries. At the meeting of Deputies, Canadian participation had been mentioned by the United Kingdom representative. Evatt objected to this and said he felt it weakened the Dominions' case and also inferred an equality of status he was not prepared to concede. Lord Addison said Bevin had told him that he could not undertake not to press for Indian representation.

641. DEA/7-CZs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 212 Ottawa, September 14, 1945

IMMEDIATE. TOP SECRET AND PERSONAL. Addressed London No. 212. Repeated Canberra No. 17, Wellington No. 18, Pretoria No. 14. Your telegram Circular D. 1685 of September 12th. Council of Foreign Ministers.

1. In light of your report of the proceedings on September 12th it seems probable that any agreement reached by the Council at this stage for the participation of other governments in the drafting of the Italian treaty would not meet the point of view which we have expressed. We should not be interested in an opportunity to make a brief oral presentation of Canadian views to the Council, nor are we anxious to submit a general statement in writing. Effective participation in the framing of the treaty requires that interested governments should take a real and direct part in the negotiations.

2. Our interest in the Italian settlement is not so much with its particular provisions as with the end result. Since we have no specific Canadian national interest to be safeguarded our concern is rather with the sum of the decisions incorporated in the treaty than with any individual parts of it. Our desire is for a settlement which will assist in ensuring a long period of peace and security in the Mediterranean area and the establishment of such political and economic conditions in Italy as would enable a democratic Italian Government to play a useful if modest part in the community of nations.

3. It may be best to drop the idea of summoning representatives of other governments to Council meetings and instead to emphasize the preliminary and tentative nature of the draft proposals produced by the Council, which would not, if this view were accepted, be treated as binding inter se by the five powers when later considered at a larger gathering. Thus the Council might be regarded as an influential drafting committee charged with the preparation of texts for consideration by a more general conference.

4. Alternatively, it might be desirable for the powers represented in the Council of Foreign Ministers to proceed as promptly as they can to the negotiation and signature of a definitive treaty of peace with Italy which could perhaps be signed also by such other belligerents as were concerned with particular territorial transfers included in the treaty. The other countries at war with Italy which had not taken part in the negotiation and conclusion of the treaty could then bring their state of war with Italy to an end in a separate instrument or instruments.

5. We fully appreciate your problems and also the difficulties inherent in the situation itself. We hope that these suggestions may be of assistance in devising as constructive a solution as possible.

642. DEA/21-Gs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2648 London, September 14, 1945

SECRET. Bevin won an important victory this morning at Council of Foreign Ministers. When Molotov insisted that he could not discuss the Italo-Yugoslav frontier on Monday without Yugoslav representatives being present, Bevin secured his agreement to the presence likewise of representatives of Dominions who wished to be heard on this subject.

2. At meeting of Commonwealth representatives this afternoon, there was an attitude of victory. Evatt was warm in his appreciation of the United Kingdom's support. He sees the concession with regard to Monday's meeting as an important establishment of principle. In his own words "Once we get there, it will be hard to get us out." Evatt said bluntly that it was up to the other Dominions to consider the question of their representatives.

3. Evatt and South African High Commissioner were worried on hearing the report that future of Italian Colonies was to be discussed this afternoon and possibly tomorrow, as they considered that it was much more important they be heard on this subject than on the Yugoslav frontier. Nevertheless, a message was sent to Mr. Bevin asking him to press for the same principle of Dominion representation with regard to discussions on the Italian Colonies.

4. It is not yet clear in what capacity such representatives would appear, although Evatt and other representatives this afternoon indicated that they would not be satisfied just to appear as witnesses for examination.

5. The exact nature of the principle of representation which has been estalbished is not clear. According to Sir Basil Newton[10], it was decided not that invitations should be addressed to other countries to attend, but that those countries who asked to come and who could make a case for their representation might be heard. Nevertheless, the invitations to attend Monday's session are being distributed today only to Yugoslavia and Dominions representatives in London. Presumably other countries could go if they asked and put up a case, but the Council does not seem anxious to appear as witnesses for examination.

6. In view of this uncertainty, it is not certain yet whether the principle of representation for interested countries inside or outside the Commonwealth, expressed in your telegram No. 199 of August 28th, has been admitted, or whether the Dominions and Yugoslavia by special pleading have secured a

[10] Sous-secrétaire d'État responsable pour le département des renseignements des Dominions, le Foreign Office de Grande-Bretagne.
Superintending Under-Secretary of State, Dominions Intelligence Department, Foreign Office of Great Britain.

concession. There are obvious dangers in pressing unreasonably for the right of all Dominions to be consulted on all subjects. Byrnes has shown a tendency to refer to the admission of one or two Dominions.

7. I raised the question of what should be said to the press. The Foreign Office may issue a statement tonight, but general feeling is that, in order to avoid pressure from other countries, it is best not to say too much. Evatt admitted that he would probably have to make some statement, as his people are obviously interested in the results of his mission. He would express his gratitude to the United Kingdom for pressing the case but would not state specifically that an invitation had been secured. It was admitted at the meeting that Dominion Governments could make statements if they wished, but Dominions Office expressed the hope that this would be postponed until Monday.

8. The view was expressed that, if Yugoslav-Italian questions are discussed on Monday with Yugoslav representation, the Council might very well spend the week battling on related issues. Newton doubts if Foreign Ministers can stay more than another week. Deputies will continue after that time. You may wish to consider whether it is worth while sending a representative to discuss Italian Colonies and frontiers for a few days with Foreign Ministers, with subsequent opportunity of continuing discussions with Deputies. Foreign Ministers may reassemble in a month's time.

9. We shall doubtless be asked specifically whether Canada wishes to be heard and on what subjects. Dominions Office will communicate with you directly regarding invitation to be heard on Monday.

643. DEA/21-Gs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2659[11] London, September 15, 1945

IMMEDIATE. TOP SECRET. Council of Foreign Ministers. Further to my telegram No. 2648 and Dominions Office telegram Circular D. 1707, September 14th.† The following communication addressed to the High Commissioner by Wang Shih-Chieh, Chairman of yesterday's session of the Council of Foreign Ministers has been received, Begins:

At their meeting this morning the Council of Foreign Ministers now in session at Lancaster House in London agreed to enquire of the Government of Canada whether they wished to represent their views to the Council on the question of the Yugoslav-Italian frontier and the future of the city and port of Trieste.

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[11] Ce télégramme fut numéroté incorrectement. En effet, le numéro était 2649.
This telegram was incorrectly numbered. In fact, the number was 2649.

Accordingly, as the Chairman of the Council of Foreign Ministers on that occasion, I was asked to invite the Government of Canada to nominate a representative, if they so desired, to attend the meeting of Foreign Ministers to be held in Lancaster House on Monday, September 17th, at 4:00 p.m., to express the views of the Canadian Government on these problems. Ends.

Please instruct what reply should be sent.

644. DEA/7-CZs

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2144 Ottawa, September 15, 1945

MOST IMMEDIATE. TOP SECRET. Your telegrams No. 2648 of Sept. 14† and No. 2659 of Sept. 15.[12] You should reply to the invitation received from the Chairman of the Council of Foreign Ministers in the following terms. Begins:

The Canadian Government, while appreciating the invitation to nominate a representative to attend a meeting of the Council of Foreign Ministers on Sept. 17, does not desire to avail itself of the opportunity to express its views to the Council at present on the question of the Yugoslav-Italian frontier and the future of the city and port of Trieste. The Canadian Government is not in a position to put forward specific solutions of the problems of the Yugoslav-Italian frontier, or for that matter of any of the other questions affecting the future territorial boundaries of Italy which are on the agenda of the Council of Foreign Ministers. It is, however, very much concerned with the effect which the peace settlement will have on the general relationship of a democratic Italy to the community of nations. The Canadian Government therefore hopes that adequate opportunity will be afforded to Canada and the other United Nations which have played an active part in the Italian war to consider and discuss the contents of the peace treaty with Italy as a whole at the appropriate stage in its negotiation. Ends.

Meanwhile you should inform the Secretary of State for the Dominions that we are grateful for the efforts made by the United Kingdom and in particular for Mr. Bevin's advocacy of Canadian participation in the discussions of the Council of Foreign Ministers. You should, however, point out that as stated in our telegram No. 212 of Sept. 14 to the Secretary of State for Dominion Affairs, our interest is not so much in the particular provisions of the treaty as in the character of the settlement with Italy considered as a whole. The views put forward in that telegram have not been modified by the invitation received shortly after its despatch. The arrangement under which we are invited to state piecemeal views on a particular aspect of the territorial settlement does not

[12]Voir le document précédent.
See preceding document.

afford a satisfactory basis for our participation. Canada has no direct interest in the question of, e.g., Yugoslav frontiers as considered apart from the general settlement.

In view of the way in which participation in the work of the Council of Foreign Ministers is developing in practice, we should prefer to express our views at a later stage when a complete draft treaty has been prepared. Any such draft treaty will presumably be of a preliminary and tentative character, and we trust that there will be an opportunity for Canada as well as for other interested United Nations to express their views at that stage.

For your own information, it would in any event have been impossible to send a representative from Ottawa at such short notice to present views on a highly controversial question which cannot be considered in isolation.

645. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2659 London, September 17, 1945

Dominions Office telegram Circular D. 1719,† Council of Foreign Ministers.

Following is our translation of note, dated September 15th, to High Commissioner from M. Bidault, Begins:

The Council of Foreign Ministers, at present in session at Lancaster House, has decided to invite the Governments of United Nations, which have been at war with Italy and which are not represented on the Council to submit to it, in writing, their own views on the aspects of the peace settlement with Italy which are of a nature to be of interest to them.

I am, therefore, charged, in my position as Chairman of the Session of the Council of Foreign Ministers, to invite your Government to make known, if it so desires, its views on this subject. The Council requests that these communications reach it before October 1st. Ends.

I should be grateful for instructions as to reply which should be sent.

646. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2665 London, September 17, 1945

IMMEDIATE. SECRET. Council of Foreign Ministers.

The Canadian reply to invitation of the Council of Foreign Ministers has been received with gratification in various quarters. When note was delivered Sunday morning to Lancaster House, Brook of the Secretariat remarked informally that he thought the Canadian Government was following a wise policy and that the Council would be gratified. Lest the Council feel gratified for the wrong reasons, Holmes pointed out that the claim to the voice at the appropriate stage was quite as important as the declining of Monday's invitation. Brook assured Holmes it was the intention of the Council to allow other United Nations to consider the draft treaty, but he was not specific as to the manner in which this would be done. From informal comments we gather that Dominions Office thinks the answer sensible.

2. At meeting of Commonwealth representatives this morning I provided other representatives with copy of Canadian reply and added explanatory comments in accordance with your instructions. Evatt expressed himself as being in complete agreement with your views, which he considered impeccable. As he understood it, Canada wanted the results of the Council meeting to be provisional and the final terms to be settled when all active belligerents against Italy "sat round a table as equals." He had thought results would be achieved quicker by intervention in the Council at this point, but he did not like the way in which things were developing. It was not good enough to be heard as witnesses along with the ex-enemy itself. Our hands were always being tied by Great Power agreements as at Yalta and Potsdam. Nicholls[13] for South Africa and Campbell[14] for New Zealand expressed similar dissatisfaction.

3. There was considerable doubt and uncertainty concerning plans for next step of Italian treaty. Sir John Stephenson[15] said that it had been intention to submit the Council's draft to a subsequent Conference of all above belligerents, but it looked now as if Council would try to avoid this step in order to achieve a speedy settlement. The invitation to submit views in writing is apparently intended to suffice. Evatt intends to ask for a definite answer in Council this afternoon.

4. Evatt said he agreed entirely with Canadian intentions, but he thought success would not be achieved by private cabling. He suggested that Canadian, Australian, New Zealand and South African Governments should issue a joint statement expressing publicly principles in your messages. It was in this way that they had won their representation at the Paris Peace Conference. He thought the United Kingdom would support them in this matter. It was agreed that Evatt and I would draft a statement after today's Council meeting, which, when approved by Nicholls and Campbell, would be submitted as a proposal to our respective Governments. I shall send the text of this statement as soon as

[13] Haut commissaire de l'Afrique du Sud en Grande-Bretagne.
High Commissioner of South Africa in Great Britain.

[14] Haut commissaire par intérim de Nouvelle-Zélande en Grande-Bretagne.
Acting High Commissioner of New Zealand in Great Britain.

[15] Le sous-secrétaire d'État adjoint aux Affaires des Dominions de Grande-Bretagne.
Assistant Under-Secretary of State for Dominions Affairs of Great Britain.

possible. Needless to say, none of the representatives here is committing his Government to acceptance of this proposal.

647. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2691 London, September 18, 1945

SECRET. Council of Foreign Ministers.

At informal talks I had the opportunity of having yesterday with other Commonwealth representatives, both Evatt and the High Commissioner for South Africa appeared to me to be inclined to agree with a point I made that the technique of rushing in to the Council with an opinion when invited to do so might well weaken the whole Commonwealth case. It is clear that they are now seized with the soundness of the Canadian attitude that piecemeal participation cannot be satisfactory. I gather that Evatt had a cooling experience when he attended the meeting of the Council on the subject of the Yugoslav-Italian frontier. He seemed to be rather resentful, as he put it, of "being paraded like a witness at a trial," and being seated at an inappropriate distance from the Italian representative. When the Yugoslav delegation asked for postponement, Commonwealth representatives withdrew also and were not present at the subsequent discussions of other topics. No meeting of the Commonwealth representatives is taking place today to hear reports from either the Foreign or Dominions Secretaries.

648. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2702 London, September 19, 1945

MOST IMMEDIATE. SECRET.

1. Evatt called me this afternoon to discuss yesterday's meetings. He, Nicholls and Campbell had spent 11 hours in the Council of Foreign Ministers yesterday. They listened to Yugoslav and Italian statements and then were asked to make their comments. Evatt took advantage of this opportunity to put forward the Canadian view on the association of other countries with the peace settlements and to state that he supported this view. He explained to me that, like Canada, Australia was not primarily interested in details of the Italian settlement, but he considered that he should take advantage of the opportunity to appear before the Council in order to express his general views. Nicholls and

Campbell also said something along these lines. Evatt was not pleased with Nicholls' comments, although he had induced him to say something on the subject of representation. The meeting did not conclude until after midnight. After the Commonwealth statement had been made, the Chairman said that the Council would consider the remarks of these distinguished representatives, including what Evatt had said about the relation of other Powers to the peace settlement.

2. As a result of this experience, Evatt asked me to send a personal message on his behalf to the Prime Minister saying that the force of the points made by the Prime Minister in his telegram No. 199 of August 28th to Dominions Office, and his subsequent messages on this subject, was becoming clearly established by what was happening in London, and that the stage was fast approaching when some action ought to be taken. He was anxious that the Prime Minister would understand that, by accepting the Council's invitation, he had been able to emphasize the Canadian view and he did not think, therefore, that his acceptance of the invitation had spoiled the Canadian argument. He respectfully hoped that, in any public statement made by the Prime Minister explaining the reasons for Canadian refusal of the invitation, it would not be considered necessary to disparage the step which he had taken. Evatt is now more than ever anxious that the four Governments concerned should issue identical statements at the earliest opportunity. Draft is in preparation and I will send text to you as soon as possible.

3. Evatt's remarks are reported in Minutes of Foreign Ministers meeting of September 18th as follows:

"The Dominion of Canada was not present at this meeting of the Council because her Government desired recognition of a broader principle of consultation than that implied in an invitation to express views on one particular aspect of the settlement. He made this claim not on behalf of Australia only, but on behalf of all countries not represented on the Council which had made a substantial contribution to Italy's defeat. They were not many in number— there were many nominally at war with Italy but only a few had taken an active part in the fighting—and he hoped that the Council would devise a regular procedure for bringing them into consultation."

649. DEA/CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2720 London, September 20, 1945

MOST IMMEDIATE. After conclusion of meeting with Dominions Secretary this afternoon, Australian, New Zealand, South African and Canadian representatives met to consider draft statement referred to in my telegram No. 2702.

Text of draft is submitted in my immediately following telegram for your consideration.

2. Evatt stated that Australia would almost certainly issue some statement. He assumed Canadian Prime Minister would be making a statement and considered that the publication in each of the four Capitals, simultaneously, of identical statements would be much more effective. Nicholls agreed to submit draft to Pretoria but seemed uncertain whether Smuts would agree. Evatt is showing a copy to Dominions Secretary. Comments at today's meeting made it clearer than ever that none of those who appeared at Monday's session of the Council is satisfied, although Campbell considered Evatt was somewhat pessimistic concerning the value of his appearance.

3. Date suggested for issuance of statement is Monday or Tuesday of next week, at which time Council is expected to break up. I should be grateful if you would inform me as soon as possible of:

(a) Your views regarding the issue of such a statement, and

(b) If issued, what amendments you would suggest in its text.

650. DEA/CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2721 London, September 20, 1945

MOST IMMEDIATE. SECRET. Following is statement referred to in my immediately preceding telegram No. 2720, Begins:

The .... Government has followed with close concern the proceedings of the Council of Foreign Ministers. It recognizes that these proceedings will constitute a substantial part of the peace making process. The Council is limited to representatives of the United Kingdom, United States, U.S.S.R., China and France. Such a limitation of membership reflects a wartime procedure which was improvised solely to meet the urgent requirements of the conduct of the war. So exclusive a procedure, however, cannot safely be followed in the peace settlement. Other nations have played a very notable part in achieving victory over our enemies both in Europe and the Pacific.

2. Matters to be dealt with by the Council are of direct concern to the nations, relatively few in number, which have maintained active and sustained belligerence throughout the war and who will, no doubt, be expected, when the time comes, to maintain and enforce the peace settlements. Such countries, which include Canada, Australia, New Zealand and South Africa, have, on the basis of their war effort, a comparable claim to other countries now represented by the Council to participate fully in the framing of the peace.

3. The objection that no provision had been made for associating these nations with the work of the Council was followed by an invitation to Canada,

Australia, New Zealand, South Africa, India and Yugoslavia to attend a meeting of the Council on September 18th, dealing with the Italian-Yugoslav frontier. Advantage was taken of this invitation by Australia, New Zealand and South Africa to present views to the Council on the particular matter at issue. While the action of the Council was appreciated as a first step in the right direction, the proceedings of the Council fall short of a procedure which gives an adequate opportunity for full and frank consultation around the table with the representatives of the five Powers, or for the effective participation in the peace settlements to which active belligerents are clearly entitled. So far, all that has been devised is a method of obtaining views on separate and isolated matters, whereas the problems of the peace should be weighed and considered as a whole.

4. In the opinion of the .... Government, one or two alternative courses should be adopted in relation to the proceedings of the Council of Foreign Ministers. Either the active belligerents, including the nations mentioned, must be given the right of participation on a footing of equality at the Council table with the representatives of the five Powers, or it must be clearly understood that conclusions reached by the Council as to the terms of the peace settlements shall be submitted to a conference in which all the active belligerents will take part and at which it will be agreed that the draft terms of the settlement shall be open to full and free discussion and amendment.

5. This suggestion was placed before the Council when [by?] the representatives of Australia, New Zealand and South Africa, and the Chairman (M. Bidault) stated that the suggestion would receive the immediate attention of the Council. The rejection of both alternatives would be rightly regarded by the active belligerents not included among the five members of the Council of Foreign Ministers as prejudicial to the achievement of a just and democratic peace. Ends.

651. DEA/7-CZs

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2190 Ottawa, September 21, 1945

IMMEDIATE. SECRET. Your telegrams 2720 and 2721 of September 20th. We are doubtful about the timeliness of issuing a joint statement on the lines suggested in the four Commonwealth capitals. So far as Canada is concerned we have already expressed our general views in the reply sent through you to the chairman of the Council of Foreign Ministers on September 16th.[16] We do not wish to take any position which would be regarded as uncooperative by the

[16] Voir le document 644.
See Document 644.

other Commonwealth countries but consider that this is a matter best dealt with at the moment by independent statements.

652. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2797 London, September 27, 1945

MOST IMMEDIATE. Council of Foreign Ministers.

Australian and to lesser extent South African Declarations on Council of Foreign Ministers have had very prominent treatment in this morning's London papers. Conservative papers, *Telegraph, Mail, Express, Sketch* devote large front page headlines to what is usually called "The Dominions' protest." *Times, News Chronicle, Herald*, give slightly less prominence. *Worker* virtually ignores Evatt except to point out that everything is covered in Berlin communiqué.

2. Particular attention is given to press conference yesterday at which Evatt distributed Declaration with some blunt explanatory comment. (Evatt appears on front page of *Sketch* shaking his fist). Evatt said Australian view agreed with that of Canada, South Africa, and New Zealand, and press seems to take this fact for granted. Walter Tucker's[17] comments in Commons yesterday are frequently quoted as indicating Canadian dissatisfaction. Evatt listed Dominions, Greece, Yugoslavia, Holland, as countries with comparable claims. He made it clear that he did not overestimate Russia's or France's claims to voice in settlement with Japan.

3. I understand New Zealand is issuing Declaration this morning with amendment to include reference to India. A Canadian statement at this time would undoubtedly find an interested audience in this country. The fact that Council is apparently breaking up with little success seems to reinforce Evatt's argument.

[17] L'adjoint parlementaire du ministre des Affaires des anciens combattants.
Parliamentary Assistant to Minister of Veterans Affairs.

653. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2829 London, September 28, 1945

SECRET. There is no denying the pessimism of those concerned with Council of Foreign Ministers as it struggles to find a formula for winding up. The Foreign Office are gloomy. Evatt tells me he got the impression, in conversation with Byrnes, that Byrnes is unhappy about the Council's procedure and thought it would be necessary to find some other means of planning the peace settlements. According to Evatt, Byrnes agrees with Evatt's criticisms of the Council.

2. Molotov seems to have annoyed everyone. Byrnes began with an obvious effort to be friendly and conciliatory, but he too is now fed up.

3. We should be glad to have, as soon as possible, your instructions with regard to invitation from the Council to express our views in writing on the settlement with Italy, the text of which was conveyed to you in our telegram No. 2659 of 17th September. The South African High Commissioner has shown me his draft reply. In this reply he referred Bidault to his Government's statement of September 27th. Without referring to the specific request to submit views in writing, the draft goes on to reiterate the request either that an assurance be conveyed to the South African Government that the draft terms of the settlement with Italy as agreed upon by the Council should be open to full and free discussions and amendment by a Conference in which they would be invited to participate, or that facilities should be granted to them to participate fully on a footing of equality with other members in the Council's discussions of the terms of the Treaty of Peace with Italy. Campbell and Evatt are recommending to their Governments replies in similar terms.

4. South Africa and New Zealand formally communicated to the Council the statements by their Governments on the Council's procedure. I am communicating copies of the Prime Minister's statement in the House of Commons[18] to United Kingdom Government and to other Commonwealth representatives in London.

5. The Prime Minister's statement of yesterday was prominently reported in *Times* and *Telegraph* this morning. Other papers showed more interest in his visit than in the statement. Dominions declarations have instigated wide discussion of relations of other powers to peace settlements. Sympathy with Evatt's view is expressed but the difficulties are enumerated. Surprisingly enough, while *The Guardian* dismisses Evatts complaints and considers great

[18] Pour cette déclaration et celle au sujet du voyage envisagé du Premier ministre en Grande-Bretagne et en Europe, voir Canada, Chambre des Communes, *Débats*, 1945, deuxième session, volume 1, pp. 506-509.
For this statement and the one on the proposed visit of the Prime Minister to Great Britain and Europe, see Canada, House of Commons, *Debates*, 1945, Second Session, Volume 1, pp. 490-3.

power direction inevitable, the *Telegraph* gives Evatt strong support, incidentally expressing laudable views on the divisibility of Commonwealth foreign policy. *The Times* in a long leader admits the grievances, doubts if proposed solutions would work, and hints vaguely at the old theory that Britain should speak not for the Dominions in Europe, but at least with their interests in mind, while possibly Australia might do the same in the Pacific.

654. DEA/7-CZs

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2273 Ottawa, September 29, 1945

SECRET. Following from Wrong, Begins: Your telegram 2829 of September 28th, paragraph 3. We have not been able to discuss with Prime Minister terms of such written views on the settlement with Italy as he might desire to submit in response to the Council's invitation. It seems doubtful whether much importance need be attached to date of October 1st suggested for their presentation. I hope to send you early next week draft statement for submission to Prime Minister and Under-Secretary on their arrival in London. Ends.

655. DEA/7-CZs

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2308 Ottawa, October 3, 1945

SECRET. My telegram No. 2273 of September 29th. Do you think that any purpose would be served now by our submitting written views on the settlement with Italy? It seems very doubtful whether deputies of foreign ministers can undertake the work contemplated when the invitation to submit views was given. We have prepared a draft which we can telegraph for consideration by the Prime Minister if this is worth while.

656. DEA/7-CZs

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2897 London, October 5, 1945

SECRET. Your telegram No. 2308 of October 3rd. Canadian views on the Italian peace settlement.

Present position with regard to Deputies to Council of Foreign Ministers is uncertain. There is some hope that they might soon be instructed to begin work intended for them, such as the draft of a treaty with Italy.

2. A member of the Council's Secretariat expressed the view that if we wished to put forward specific views on the Italian settlement, it might be advisable to have them available with the views of other countries if and when the Deputies begin their studies. He admitted, however, that in view of our interest in procedural matters, we might wish to wait and see what happened to Byrne's proposal for a Conference.

3. To date, answers have been received from sixteen of approximately thirty countries to whom an invitation was sent. Some of these were received after October 1st, and they are still coming in. Luxembourg, Cuba, Salvador, Costa Rica and Dominican Republic stated that they had no special views to express, but made various minor reservations concerning properties and reparation. Lebanon and Iraq expressed views on the future of Libya, with particular demands that it be placed under the control of Egypt or one of the other Arab States.

4. Nine States raised the procedural question in one form or another. In my telegram No. 2829 of September 28th, I outlined the South African reply. The Australian reply was similar. New Zealand has not replied formally. India outlined certain material claims, stated views on future of Italian Colonies, and expressed desire to have their representatives heard orally by the Deputies. Belgium transmitted a long statement of claims. They saw no objection to a Peace Treaty with Italy being drawn up by Powers particularly concerned, if, as they assumed, Belgium would be able to submit observations on the draft. Such a procedure, however, would not be satisfactory for the German settlement, as the losses suffered by Belgium gave her an absolute right to sit at the Conference Table. Greece stated that they would submit a memorandum, and confidently anticipated an opportunity to amplify these views orally before the Council. Yugoslavia said that they considered their appearance at the Council as preparatory. They wished to participate in technical preparations. They expressed confidence they would actively participate in discussion of those problems of peace with Italy in which they were directly interested. It would be difficult to expect that Yugoslavia could be bound by any agreement which interfered with her interests and in the creation of which she had not participated. Brazil reserved certain rights to compensation and stated that as

an active belligerent she had the right to share in framing the Treaty of Peace. Mexico asked for an extension of time to prepare her views, and asked for information concerning the procedure of drafting, discussion and signature of the Treaty. Iraq stated that although they would submit a memorandum, this was not enough as they must be represented in the discussions of at least the future of Libya.

5. Ethiopia submitted extensive memorandum with no comment on procedure. No answer has yet come from The Netherlands, the Philippines, Poland, Ukraine, Byelorussia and other Latin-American belligerents.

6. In the circumstances, as there is now no urgency, I do not think any useful purpose would be served by our submitting views at present, particularly as Robertson will doubtless be discussing the question.

657. DEA/21-Gs

Le sous-secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Under-Secretary of State for External Affairs to Acting High Commissioner in Great Britain

SECRET Ottawa, October 6, 1945

Dear Mr. Hudd,

With regard to our various telegrams concerning Canadian comments on the Italian peace settlement, I have just received your telegram No. 2897 of October 5th. I am enclosing a draft statement which might be presented, if after discussion with Mr. Robertson in London, it seems desirable that this should be done in the near future. Mr. Robertson took with him an earlier draft of this statement, but the draft in his possession has been revised at a number of points as a result of further consideration here.

It is not a very informative document and only alludes indirectly to the toughest territorial problems of the settlement—the future of the Italian colonies and the frontier with Yugoslavia.

I am sending a copy of this letter and the enclosure for you to give to Mr. Robertson.

Yours sincerely,

H. H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

Projet de déclaration

Draft Statement

Ottawa, October 3, 1945

COMMUNICATION TO THE COUNCIL OF FOREIGN MINISTERS ON THE ITALIAN PEACE TREATY

Canada as an active belligerent throughout the duration of the war is deeply interested in the terms of the peace treaty to be concluded with Italy. Moreover, the Canadian armed forces have played, from first to last, an important part in the fighting in Italy, while Canada has subsequently provided a substantial share of the relief supplies furnished to the Italian people.

With regard to the general character of the peace settlement with Italy, the Canadian Government hold the view that it should be such as to promote (a) a long period of peace and prosperity in the whole Mediterranean area; and (b) the restoration of healthy political, social and economic conditions which would enable a democratic Italy to play a useful part in the community of nations.

Approaching the peace settlement with these general objectives in mind, the Canadian Government take the view that the difficult problems connected with Italy's frontiers and colonial possessions should be considered in the wider context of the future security and prosperity of the whole area rather than in terms of national prestige among rival claimants.

As regards Trieste, in the Canadian view it is more important than the immediate fate of this City that this issue should not now become inflamed by controversy and that Trieste should not develop into a potential danger spot from the point of view of international security. The frontier delineations should, so far as possible, follow ethnic lines. In any event, in view of its importance to the trade of other countries, the port of Trieste should be a free port under conditions reached by international agreement.

The arguments in favour of transferring the Dodecanese Islands to Greece seem overwhelming in view of the Greek origin and sympathies of the populations concerned.

The Canadian Government favour the extension of the trusteeship system to the Italian colonies. The disposition of the Colonies should be decided in accordance with the principles laid down in Article 76 of the Charter of the United Nations. The Canadian Government is of the view that Italy should play a part in whatever trusteeship arrangements are established and, for this reason, should be associated with the administration of one or other of its former colonial possessions.

The territorial provisions of the treaty may, in the long run, prove less important than the establishment of conditions which will permit the populations of the Mediterranean area to attain to a reasonable degree of economic and social stability.

On these grounds the Canadian Government would not favour the introduction into the peace treaty of any provision which would impose a dangerously heavy strain on the already insecure structure of Italy's economy. It is not to be anticipated that so poor a country as Italy which at the present time is suffering from acute economic dislocation would be in any position to produce substantial reparations for losses caused by Italian aggression, and this fact should be realistically faced. The Canadian Government would be opposed to any proposals which involve stripping Italy of the industrial equipment which is essential to the livelihood of the masses of her population.

The large relief debt due from Italy to the United Kingdom, United States and Canada should be borne in mind in relation to any consideration of reparations.

The Canadian Government reserves the right for compensation of Canadian claims to all Italian assets vested in the Canadian Custodian or under his control.

On the question of post-war Italian commercial relations the Canadian Government wishes to see that no obligations are imposed on Italy which will have the effect of crippling her as a trading nation, or reducing her to a condition of poverty. The Canadian Government, however, would favour provisions to prevent the Italian Government from taking unilateral action which would prejudice the free flow of multilateral trade. In particular the Italian Government might well be required to subscribe to whatever measures are taken by international agreement for the promotion of multilateral trade. It might also be advisable to impose on the Italian Government an obligation of non-discrimination in currency matters, and that Italy should be associated with any multilateral agreements for exchange control such as the International Monetary Fund.

It will be understood that these are the preliminary observations of the Canadian Government. As pointed out in the communication of the Canadian Government to the Council of Foreign Ministers on September 15th, 1945, it is hoped that "adequate opportunity will be afforded to Canada and the other United Nations which have played an active part in the Italian war to consider and discuss the contents of the peace treaty with Italy as a whole at an appropriate stage in its negotiation." It is the expectation of the Canadian Government that the preparatory work on the draft treaty, on which the Council of Foreign Ministers are now engaged, will later be submitted to a Conference of the United Nations concerned for full discussion and approval.

658. DEA/21-Gs

Le deuxième secrétaire, le haut commissariat en Grande-Bretagne, au sous-secrétaire d'État par intérim aux Affaires extérieures

Second Secretary, High Commission in Great Britain, to Acting Under-Secretary of State for External Affairs

SECRET London, October 31, 1945

Dear Mr. Wrong,

With reference to your letter of October 6th to Mr. Hudd concerning the Canadian views on the Italian Peace Settlement, I am enclosing a copy of a memorandum which I sent to Mr. Robertson on the 15th October on this subject. Mr. Robertson has returned the memorandum with the comment: "I think we might well defer circulating any statement on Italian Peace Terms until the weather improves." This comment is dated 29th October.

I am not sure whether Mr. Robertson has informed you to this effect, but I thought it might be advisable to pass his recommendation on to you in view of the fact that his return to Ottawa will be delayed by matters of greater importance which will absorb his mind.

Yours sincerely,

J. W. HOLMES

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du deuxième secrétaire, le haut commissariat en Grande-Bretagne, au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Second Secretary, High Commission in Great Britain, to Under-Secretary of State for External Affairs

London, October 15, 1945

Mr. Wrong, I believe, has sent on to you a copy of his letter of October 6th to Mr. Hudd, enclosing a draft statement of the Canadian views on the Italian Peace Settlement which might be presented to the Council of Foreign Ministers, if, after discussion with you, it seems desirable that this should be done.

In spite of the fact that the Council of Foreign Ministers is in a curious state between life and death there is still something in the nature of a secretariat in operation. If we were to answer M. Bidault's request for our views on an Italian Settlement at this late date the views would be mimeographed by the secretariat and circulated to the members. Whether it would at this stage receive much attention is difficult to say. My impression is that the States concerned are concentrating to such an extent on the procedural question that the actual nature of the Italian Peace Settlement does not at the moment interest them very much. The present state of trance cannot last very much longer and some new formula must be discovered for dealing with the Italian

Settlement, among other things. It might be desirable, therefore, for us to wait until there is a decision on the next stage, lest we compromise our position by submitting views in writing. It might be advisable, however, to have a draft statement of this kind ready so that it can be produced without unnecessary delay if the time seems apt.

J. W. HOLMES

PARTIE 3/PART 3

RÈGLEMENTS AVEC L'ALLEMAGNE ET L'AUTRICHE
SETTLEMENTS WITH GERMANY AND AUSTRIA

SECTION A

CONDITIONS DE CAPITULATION
SURRENDER TERMS

659. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 45 Ottawa, March 24, 1944

SECRET. Addressed London No. 45, repeated Australia No. 5, New Zealand No. 5, South Africa No. 4.

1. Your Circular despatches D. 9 of January 20th† and D. 20 of February 25th,† covering draft German armistice terms submitted to European Advisory Commission.[19] We are studying the proposals submitted by the three Governments represented on the Commission and may later forward some observations on their substance. We wish now, however, to draw attention only to one point, on which we would welcome support in the Commission from your representative. This relates to the character of the Allied authority by which the armistice would be imposed.

2. The Soviet proposal is for signature by representatives of the Supreme Commands of the Soviet Union, United Kingdom and United States, called "The Representatives of the Supreme Command of the Allies," and it provides for three signatories. The United States Government propose signature by the Supreme Commander, Allied Expeditionary Forces, and the Commander in Chief of the Forces of the U.S.S.R. "acting by authority of the Governments of the United States, the United Kingdom and the Union of Soviet Socialist Republics and in the interests of the United Nations."

[19] Voir États-Unis, *Foreign Relations of the United States*, 1944, volume I, pp. 116-39, 168-70, 174-9.
See United States, *Foreign Relations of the United States*, 1944, Volume I, pp. 116-39, 168-70, 174-9.

3. It seems to us essential that the armistice should be signed on behalf of all the United Nations or at the very least on behalf of all those with forces actively engaged against Germany. Neither of these proposals meets this condition. The United Kingdom proposal for signature "on behalf of the United Nations, duly authorized to that effect" would be quite acceptable to us.

660. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D.502 London, April 4, 1944

SECRET. Addressed Canada, repeated Australia, New Zealand, South Africa. Your telegram 24th March, No. 45. Draft German Instrument of Surrender.

1. Your views as to desirability of signature "on behalf of United Nations" entirely accord with our own and with line which United Kingdom representative on European Advisory Commission had been instructed to take. This point has, however, not yet been discussed in Commission.

2. We note that His Majesty's Government in Canada may wish to forward some observations on substance of proposals before Commission. If so, we should be glad to have them as soon as possible.

3. Separate telegram[†] is being sent as to stage so far reached in Commission's discussion of draft documents.

661. DEA/7-Es

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, June 13, 1944

DRAFT INSTRUMENT OF SURRENDER FOR GERMANY

1. We have just received Dominions Office Circular despatch D.75 of June 9th[†] (copy attached) forwarding a draft instrument of surrender for Germany, together with an explanatory memorandum. This document has been drawn up after negotiations conducted in the European Advisory Commission in London and represents the point reached on May 25th. It has not been formally adopted by the Commission or by the United Kingdom Government and is still liable to modification.

2. The Instrument consists of eleven military articles and of one general article giving the Allied representatives supreme authority to present additional

requirements which Germany is bound to accept. It is intended to fill out the terms by a series of directives, the terms of which are under discussion in the European Advisory Commission. It is not the purpose of this memorandum to consider the terms in themselves but to draw attention to an important question of form on which representations were made last March to the United Kingdom Government.

3. These points relate to the Preamble and Article 12(a) of the draft. The Preamble reads as follows:

The German Government and the German High Command, recognizing and acknowledging the complete defeat of the German armed forces on land, at sea and in the air, hereby announce Germany's unconditional surrender to the Supreme Commands of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America acting by authority of their respective Governments and in the interests of the United Nations, hereinafter called the "Allied Representatives."

Article 12(a) reads as follows:

The Union of Soviet Socialist Republics, the United Kingdom and the United States of America shall possess supreme authority with respect to Germany. In the exercise of such authority they will take such steps, including the complete disarmament and demilitarization of Germany, as they deem requisite for future peace and security.

4. On March 24th a telegram was sent to the Dominions Office stating that the draft armistice terms submitted separately to the European Advisory Commission by the Governments of the U.K., U.S.A. and U.S.S.R. were being studied in Ottawa. The telegram went on that we wished to draw attention at that time only to one point which was described as follows:

The Soviet proposal is for signature by representatives of the Supreme Commands of the Soviet Union, United Kingdom and United States, called "The Representatives of the Supreme Command of the Allies," and it provides for three signatories. The United States Government propose signature by the Supreme Commander, Allied Expeditionary Forces, and the Commander in Chief of the Forces of the U.S.S.R. "acting by authority of the Governments of the United States, the United Kingdom and the Union of Soviet Socialist Republics and in the interests of the United Nations."

It seems to us essential that the armistice should be signed on behalf of all the United Nations or at the very least on behalf of all those with forces actively engaged against Germany. Neither of these proposals meets this condition. The United Kingdom proposal for signature "on behalf of the United Nations, duly authorized to that effect" would be quite acceptable to us.

The Dominions Office replied to this comment as follows on April 4th:

Your views as to desirability of signature "on behalf of United Nations" entirely accord with our own and with line which United Kingdom representative on European Advisory Commission had been instructed to take. This point has, however, not yet been discussed in Commission.

5. We heard no more of this matter until despatch D.75 of June 9th arrived. In the memorandum enclosed with this despatch it is stated (paragraph 5) "that the U.K. representative made strong efforts to secure the agreement of the U.S. and Soviet representatives to the use of the term 'on behalf of,' but the United States representative firmly resisted this alteration on the ground that the term 'on behalf of' could not be properly adopted unless all the United Nations were consulted on the detailed terms and authorized signature on their behalf." The U.K. representative finally reluctantly acquiesced in the use of the term "in the interests of." He has been told to seek to place on record the view that the Governments most directly affected should be consulted before the draft instrument is finally approved and that other United Nations should be informed of the proposed terms before they are presented to Germany.

6. The Armistice of November 11th, 1918, was made "between Marshal Foch, Commander-in-Chief of the Allied Armies, acting on behalf of the Allied and Associated powers, in conjunction with Admiral Wemyss, First Sea Lord, of the one part."

7. We were not informed in advance of the form employed in the Italian Armistice because of the very confused state which preceded its signature. Only after the event did we learn that it began "The following conditions of an armistice are presented by General Dwight D. Eisenhower, Commander-in-Chief of the Allied Forces, acting by authority of the Governments of the United States and Great Britain in the interest of the United Nations." General W. B. Smith signed for General Eisenhower who was described as "General, United States Army, Commander-in-Chief Allied Forces." The British proposal had been that the terms should be presented "on behalf of the Supreme Command of the United Nations duly authorized to that effect." This was the language used in the short armistice of September 3rd. The longer instrument of surrender of November 9th signed by General MacFarlane and Marshal Badoglio contained the following in the preamble: "The following, together with the terms of the Armistice of September 3rd, 1943, are the terms on which the United States and United Kingdom Governments, acting on behalf of the United Nations, are prepared to suspend hostilities against Italy........" The next paragraph of the preamble reads "These terms have been presented by General Dwight D. Eisenhower, Commander-in-Chief, Allied Forces, duly authorized to that effect."[20]

8. It would seem that the formula now proposed for the German armistice is retrogressive from that adopted in 1918 insofar as the participation of the secondary allies is concerned.

9. Doubtless the reasons for the U.S. attitude arise from the position of the French Committee, the breach between Poland and the U.S.S.R., the condition of the Yugoslav Government and other political and diplomatic considerations which make them unprepared to attempt negotiations even with all the United Nations whose forces are now fighting against Germany in Europe. They,

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[20]Pour l'armistice italien, voir Canada, *Recueil des traités*, 1943, N° 21.
For the Italian Armistice, see Canada, *Treaty Series*, 1943, No. 21.

therefore, appear to wish to impose an armistice framed and negotiated only by the three Great Powers. There is already much uneasiness among the European allies over the lack of consultation with them on the armistice terms.

10. We must recognize the reality of some, at least, of these difficulties. They are not on the other hand valid in the case of Canada and several other United Nations. It is even open to question whether an armistice in this form would legally bring about a cessation of hostilities between Canada and Germany.

11. It is suggested that a means might be found out of this difficulty which would be in accord with the proposals made not long ago to Mr. Churchill and President Roosevelt for the formal recognition of the authority of the Supreme Allied Commanders by the Governments providing forces to serve under their command.[21] This matter, indeed, would furnish a good reason for clearing up in a formal manner the position in which we and other Allied countries have arrived. We might, therefore, suggest immediately to the United Kingdom Government that we could accept in place of the formula proposed by the European Advisory Commission the conclusion of the armistice in the name of the Supreme Commander of the forces of the U.S.S.R. and of the Supreme Allied Commander or Commanders of the forces of the other United Nations. General Eisenhower (and perhaps General Wilson if he were associated in the signature) could then sign "on behalf of the United Nations" in the course of the exercise of their commands and reference to the Governments of the United Nations could be avoided. It would be necessary, also, to rewrite Article 12(a) of the Draft Instrument.

12. This matter, formal though it may appear to be, concerns the fundamental nature of the alliance against Germany and the relationship of the three Great Powers to all the other partners in the alliance.[22]

662. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, June 14, 1944

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DRAFT ARMISTICE TERMS FOR GERMANY

21. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted and read a memorandum upon the draft instrument of surrender for Germany, drawn up after negotiations in the European Advisory Commission. The draft had not been formally adopted by the Commission or by the member

[21] Voir les documents 233 et 243.
See Documents 233 and 243.

[22] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Decided at War Committee today to make representations as above. 14-6-44 K[ING]

governments and was still liable to modification. The memorandum submitted drew attention to an important question of form.

The preamble provided for Germany's unconditional surrender to "the Supreme Commands of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America acting by authority of their respective Governments and *in the interests* of the United Nations...."

It was reported by the Dominions Office that efforts of the U.K. representative or the Commission to secure use of the expression "on behalf of," instead of "in the interests of" the United Nations had been unavailing against the opposition of the Soviet and U.S. representatives.

In March we had informed the United Kingdom that we regarded it as essential that the Armistice should be signed on behalf of all the United Nations or, at the very least, on behalf of all those with forces actively engaged against Germany.

The Armistice of 1918 had been concluded with Foch acting "on behalf of the Allied and Associated Powers...." The longer instrument of surrender of Italy was signed "on behalf of the United Nations." The present proposal was, therefore, a retrograde step, the effect of which would be to impose an armistice framed and negotiated by the three Great Powers. The reasons for the U.S. attitude lay, doubtless, in the situations of France, Poland and Yugoslavia but, from the Canadian standpoint, the formula remained objectionable and it was even questionable whether an armistice in this form would legally bring about the cessation of hostilities between Canada and Germany.

It was suggested that the difficulty might be resolved in relation to the earlier Canadian proposal for formal recognition of the Supreme Allied Commanders by the governments providing forces to serve under their command. It would then be acceptable to the Canadian government for the armistice to be concluded in the name of the Supreme Commander of the forces of the U.S.S.R. and of the Supreme Allied Commander or Commanders of the forces of the other United Nations. In this way reference to the governments of the United Nations could be avoided.

The only acceptable alternative to such a course lay in consultation upon the terms of surrender and securing authority from individual governments concerned, to sign on their behalf.

This seemed a formal matter but it concerned the fundamental nature of the alliance against Germany and the relationship of the three Great Powers, to all the other partners in the alliance.

(External Affairs memorandum to the Prime Minister, June 13, 1944).

22. THE PRIME MINISTER expressed emphatic agreement with the views set out in the memorandum submitted by the Under-Secretary.

In 1939 Canada, by the independent action of her own Parliament, had declared war upon Germany. It would be intolerable to accept a formula which ignored that essential fact and which did not provide for conclusion of the armistice on behalf of Canada.

If the Great Powers were unwilling to consult the other United Nations and obtain their concurrence, the only alternative was some course such as that suggested by Mr. Robertson.

23. THE WAR COMMITTEE, after discussion, agreed that a communication should be addressed to the U.K. government in the sense of the view expressed by Mr. King and along the lines suggested in the memorandum submitted by the Under-Secretary.

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663. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 106 Ottawa, June 16, 1944

IMPORTANT. SECRET. Your Circular Despatch D.75 of June 9th.[†] Draft Instrument of Surrender for Germany.

1. We have no comment to offer on adoption of a short military instrument which in general carries our judgment. We attach, however, considerable importance to the modification of the draft at two points. While our objections relate to what may superficially appear to be questions of form, in our view they concern the fundamental nature of the alliance against Germany and continued cooperation among the United Nations after the war.

2. The first point is the language used in the preamble whereby Germany would surrender unconditionally to the Supreme Commands of the three Great Powers "acting by authority of their respective Governments and in the interests of the United Nations." We appreciate from your telegram D.502 of April 4th and paragraph 5 of the memorandum[†] enclosed with your despatch under reference that you share our objections to this formula. The second point is the first sentence of Article 12(a) by which the Soviet Union, United Kingdom and United States "shall possess supreme authority with respect to Germany."

3. The only reference to the other partners in the grand alliance against Germany, in the Instrument proposed to end the fighting after a war in which some of them have now been engaged for nearly five years, is an assertion that the Supreme Commands of three of the Allies are "acting in the interests of the United Nations." We should prefer the elimination of any reference to the United Nations rather than the inclusion of such a formula. We think, however, that a better form can and should be adopted.

4. We feel sure that the inclusion in the Instrument of the language proposed in the preamble and Article 12(a) would cause bitter resentment in many Allied countries and would be an inauspicious start towards the general settlement. We realize the difficulty of securing agreement in advance on the terms of the Instrument of Surrender among all the United Nations or even among those with forces actively engaged against Germany. We hold strongly to the view, however, that some means should be found whereby the

Instrument will be signed at least on behalf of all the Allies whose forces will have contributed substantially to German defeat.

5. The enumeration in the Instrument of the members of the United Nations might in theory be the most satisfactory method but we recognize that the task of negotiating in advance among more than thirty Governments to secure their specific concurrence would present great difficulties.

6. In our view a satisfactory solution could and should be found along the following lines. The Instrument is a military document which will be signed for the Allies by military commanders. We feel it should be signed on the Allied side only by the Supreme Allied Commanders. If the Supreme Commanders had received formal authority from the governments concerned to exercise command over the forces from various countries comprising their commands, the conclusion of the Instrument of Surrender could clearly be regarded as part of their exercise of that authority. It would certainly be desirable that such at least of the Allies as have placed forces under the Supreme Commanders should be consulted in advance on the terms of surrender and we note that you share this view. In any case, so long as the authority of the Supreme Commanders is properly recognized as deriving from the governments concerned, they could perhaps be considered as having been empowered to conclude hostilities on behalf of all these governments.

7. We feel that this gives a new importance to the question of the formal recognition of the position of the Supreme Commanders which was raised in the Prime Minister's telegram to Mr. Churchill No. 34 of March 10th[23], in Mr. Churchill's reply No. 31 of April 18th[24], and in the Prime Minister's further telegram No. 99 of June 6th.[25]

8. Failing agreement on the lines indicated in paragraph 6, we should prefer to see all reference to the United Nations and to signature on the authority of governments eliminated from the preamble and to have the Instrument concluded only between the German Government and the German High Command on the one hand and the Supreme Allied Commanders on the other hand.

9. It is even more important that Article 12(a) should be modified to eliminate the specific reference to three only of the United Nations with the omission of all the rest.

10. Having in mind that the Armistice of November 11, 1918, was signed by the "Commander-in-Chief of the Allied Armies, acting on behalf of the Allied and Associated Powers," and also the circumstances in which the various United Nations entered this war, we feel it would be difficult to explain and justify an instrument of surrender with which they were not more directly associated.

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[23]Voir le document 233.
See Document 233.

[24]Voir le document 237. En effet, le numéro de ce télégramme était 51.
See Document 237. In fact, the number of this telegram was 51.

[25]Voir le document 243.
See Document 243.

664. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 1173 Ottawa, June 16, 1944

IMPORTANT. SECRET. Reference our telegram to Dominions Office No. 106 of June 16th. Draft Instrument of Surrender for Germany.

1. Will you please discuss with Cranborne or Eden the questions raised in this telegram, stressing the importance of finding a satisfactory solution. You should develop the matter along the following lines.

2. In view of the separate Canadian declaration of war against Germany, which occurred long before the involvement of either the U.S.S.R. or the U.S., the conclusion of an armistice by authority of the three Great Powers alone would cause us special difficulty. We assume that the reluctance of the United States to accept a formula covering participation by other United Nations is caused mainly by their preoccupation over the position of France and also by the breach between Poland and Russia. The terms of the draft Instrument, however, would render these problems more acute, especially if the intention is not to consult the other Allied countries principally concerned.

3. If it would help towards a solution we are prepared to take the matter up with the United States Government and also with the Soviet Government. Before doing so, however, we should like to receive the comments of the United Kingdom Government on the views which we have put forward in the telegram under reference.

4. Article 12(a) of the draft will, we feel, be particularly resented by some of the European allies who have the strongest sort of claim to participate in determining the treatment of Germany under the Instrument. With the Instrument in the form of a brief and predominantly military document, the other allies are most deeply concerned with the directives issued under Article 12(b) by which the surrender will be implemented. The impression of a three-power hegemony which the draft Instrument creates is most unfortunate. We regard it as necessary that the European Allies especially should share responsibility for dealing with the problems of Germany in the years after the war. The "Allied Representatives" set up under the Instrument should be vested with authority from those of the United Nations whose interests are deeply involved. Otherwise these countries, whose cooperation is essential if a stable settlement is to be achieved, may be inclined to stay on the side lines.

5. You might also point out that the French Committee is not one of the United Nations and for good measure draw attention to Article 2 of the Declaration by United Nations of January 1st, 1942.[26]

6. It might be useful also for you to discuss the whole question with Sir William Strang so as to be sure that he is fully apprised of our views.

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[26] Voir Canada, *Recueil des traités*, 1942, N° 1.
See Canada, *Treaty Series*, 1942, No. 1.

665. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 97 London, June 28, 1944

SECRET. Your telegram No. 106 of June 16th. Draft instrument of Surrender for Germany.

We are very glad to have your comments, which have been communicated to United Kingdom representative on European Advisory Commission, and will be borne in mind here when a Draft Instrument is eventually recommended by E.A.C., though we cannot be sure how far it will, in fact, prove practicable to secure alterations in Commission's text without reopening discussions on many points which have already been subject of long and difficult informal discussions between the representatives of the three Governments on E.A.C. Meanwhile, following are our observations on your comments.

2. Guiding consideration for United Kingdom representative on E.A.C. has been to reach a text which would:

(a) Command agreement of United States and Soviet representatives whose views and instructions were at first very divergent;

(b) In practice give us the political and military powers considered by our advisers to be necessary for purposes in mind;

(c) Leave no scope for subsequent complaints by Germans that Allied demands and proceedings are not covered by Instrument.

We have always had in view interests of other United Nations but, while we recognize their desire to be actively associated with Instrument of Surrender, United Kingdom representative is bound to take account of views of United States and Soviet representatives on this question.

3. There is, we think, substantial identity of view between Canadian and United Kingdom Governments along the lines of your paragraph 6. We agree that Instrument should be a military document to be signed for Allies by Military Commanders. We think it important that there should be a British signatory but who he should be can only be decided at the time. It is debatable whether in International Law a Military Commander signing an Instrument of this kind need be described as doing so "by authority of his Government." But on broad grounds it has seemed to United Kingdom representative desirable that on the unprecedented occasion of the unconditional surrender of a whole country as is proposed the Military Commanders accepting the surrender should be described as doing so by authority of their respective Governments. Moreover, absence of such a statement might afford loophole to German authorities for argument as to which should sign on their behalf. Reason why draft does not describe Military Commanders as acting "on behalf of" the United Nations (or even of those United Nations which have placed forces under them) was given in memorandum enclosed in my despatch No. 75.† On

other hand, we thought phrase in preamble "acting in the interests of the United Nations" preferable to no reference at all to "United Nations."

4. Procedure at present contemplated by United Kingdom representative on E.A.C. for consultation with foreign Governments is that:

(a) E.A.C. should now invite Allied Governments most directly affected to submit views as to surrender terms for Germany (but without communicating text to them at this stage) in light of which E.A.C. if they thought fit could make further recommendations;

(b) E.A.C. in recommending a text to United Kingdom, United States and U.S.S.R. should explain that it is subject to modification in light of any views expressed by other Allied Governments. In any case we hope before terms are given to Germans to secure concurrence of Governments most directly affected and to give terms for information to other Governments. United Kingdom representative has put to Commission proposals on these lines.

5. Article 12(a) is considered necessary because it will be the basis for the action to be taken by the United Nations in respect of Germany for which authority is not expressly taken in other articles of Instrument. Since these other articles cover only the military field Article 12 is designed to cover the remainder of the sphere of action political, economic, financial, etc. Alternative (which we assume would have met point in your paragraph (9) of providing that "United Nations" should have supreme authority would not have been acceptable to United States and Soviet representatives while we felt it necessary to exclude qualification "acting in interests of United Nations" originally suggested by United States representative because we thought that it might expose actions of Allied representatives to challenge by Germans on ground that they were not "in interests of United Nations."

6. As regards your paragraph 10, the wording of the armistice of 1918 was not in fact based on prior consultation between all the Allied and Associated Powers. Memorandum in my despatch Circular D. 75 explains why the phrase is not used in present draft. But we hope that in fact it will be possible to provide on this occasion by some such procedure as that suggested in paragraph 4 that the United Nations are given a suitable opportunity of satisfying themselves that their substantial interests are safeguarded.

666. DEA/7-Es

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1610 London, June 30, 1944

SECRET. Your telegram No. 1173, June 16th and letter from Robertson[†] on the subject of draft terms of German surrender, Begins:

2. I saw Mr. Eden yesterday afternoon and left with him a memorandum[27] stating our case fully. I strongly urged favourable consideration of our representations. I found the Foreign Secretary very sympathetic to our point of view. He realised the force of our contention. He was, however, not very hopeful regarding the possibility of acceptance by the United States or the Soviet Union, with whom he is having difficulties in connection with other aspects of the problem. They are for instance unwilling that the draft instrument of surrender should be shown in advance to the European Allies and are generally showing a somewhat arbitrary attitude. Mr. Eden feels that our representations will strengthen his hand. He thinks, moreover, that it might help if we made a direct approach to both Governments expressing our objections to the existing draft terms of surrender. I also left a copy of my memorandum with Lord Cranborne.

I am arranging for Ritchie to see Sir William Strang as suggested in your telegram. Ends.

667. DEA/7-Es

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A. 402 London, July 3, 1944

SECRET

Sir,

I have the honour to refer to my telegram No. 1610 of the 30th June regarding my interview with the Foreign Secretary on the subject of the Draft Instrument of Surrender for Germany.

I am enclosing herewith a copy of a brief memorandum on this subject which I left with Mr. Eden, and which follows the lines suggested in your telegram No. 1173 of the 16th June. I am also enclosing two copies of a memorandum of an interview which Mr. Ritchie, of this Office, had to-day with Sir William Strang, the United Kingdom representative on the European Advisory Commission on this subject.

I have etc.

VINCENT MASSEY

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[27] Voir le document suivant.
See following document.

[PIÈCE JOINTE 1/ENCLOSURE 1]

Mémorandum du haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires étrangères de Grande-Bretagne

Memorandum from High Commissioner in Great Britain to Secretary of State for Foreign Affairs of Great Britain

London, June 28, 1944

MEMORANDUM ON THE DRAFT INSTRUMENT OF SURRENDER FOR GERMANY

The Canadian Government have set forth in their telegram No. 106 of June 16th to the Dominions Office their views with regard to the Draft Instrument of Surrender for Germany which is now under consideration by the European Advisory Commission. As will be seen from the terms of this telegram, a copy of which is attached for convenience of reference, the Canadian Government see objection to the language used in the preamble of the Draft Instrument of Surrender whereby Germany would surrender unconditionallY to the Supreme Commands of the three Great Powers "acting by the authority of their respective Governments and in the interests of the United Nations." They also see strong objection to Article 12(a) by which the Soviet Union, the United Kingdom and the United States "shall possess supreme authority with respect to Germany."

With regard to the first of these points the Canadian Government have suggested that a solution to the difficulties involved might be found if the Supreme Commanders had received formal authority from the Governments concerned to exercise command over the forces from the various countries comprising their Commands. The Instrument could then properly be signed by the Supreme Allied Commanders as the conclusion of the Instrument of Surrender could clearly be regarded as part of their exercise of that authority. It would in the Canadian view certainly be desirable that such at least of the Allies as have placed forces under the Supreme Commanders should be consulted in advance of the Terms of Surrender, and it is noted that the United Kingdom Government share this view.

It is felt by the Canadian Government that this gives a new importance to the question of the formal recognition of the position of the Supreme Commanders which was raised in the recent exchange of telegrams between the Prime Minister of the United Kingdom and the Prime Minister of Canada dealing with this subject.

So far as Article 12(a) of the Draft Instrument is concerned, the Canadian Government are of the view that this should be modified to eliminate the specific reference to three only of the United Nations, with the omission of all the rest.

The Canadian Government attach great importance to reaching a satisfactory solution of the difficulties arising out of these points in the present text of the Draft Instrument of Surrender for Germany. They consider that the questions raised in telegram No. 106 of June 16th to the United Kingdom

Government are important not only from the specifically Canadian point of view, but also as affecting the other United Nations and particularly the European Allies.

In view of the separate Canadian declaration of war against Germany which occurred long before either the U.S.S.R. or the United States became involved in hostilities, the conclusion of an Armistice by authority of the United Kingdom, the U.S.S.R. and the United States alone would cause the Canadian Government special difficulty. It is even open to question whether an Armistice in the form now suggested would bring about a cessation of hostilities between Canada and Germany.

It is assumed that the reluctance of the United States to accept a formula covering participation by other United Nations is caused mainly by their preoccupation with the position of France, and also by the breach between Poland and Russia. The terms of the Draft Instrument would, however, in the Canadian view, render these problems all the more acute, especcally if the intention is not to consult the other Allied countries principally concerned.

Article 12(a) of the Draft Instrument will, it is anticipated, be particularly resented by some of the European Allies who have the strongest sort of claim to participate in determining the treatment of Germany under the Instrument. In view of the fact that the Instrument takes the form of a brief and predominantly military document the other Allies will be profoundly concerned with the Directives issued under Article 12(b), by which the Surrender will be implemented.

The impression of a three-power hegemony which the Draft Instrument creates, is in the Canadian view most unfortunate. The Canadian Government regard it as necessary that the European Allies in particular should share responsibility for dealing with the problems of Germany in the years after the war. The "Allied Representatives," whose powers are enumerated in the Draft Instrument should, it is considered, be vested with authority by those of the United Nations whose interests are deeply involved, otherwise those countries whose co-operation is essential if a stable settlement is to be achieved may be inclined to stand aside.

Moreover, it will be recalled that Article 2 of the Declaration by the United Nations of January 1st, 1942, specifically states that "each Government pledges itself to co-operate with the Governments signatory hereto and not to make a separate armistice or peace with the enemies."

It is also to be observed that the formula at present suggested by the terms of the Draft Instrument does not cover the case of the French Committee of National Liberation, which is not included in the term "United Nations."

The Canadian Government would be prepared, if it would help towards a solution, to take up these questions with the Governments of the United States and the U.S.S.R. Before doing so, however, they would much appreciate receiving the comments of the United Kingdom Government on the views put forward in their telegram No. 106 of June 16th.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Mémorandum du premier secrétaire, le haut commissariat en Grande-Bretagne

Memorandum by First Secretary, High Commission in Great Britain

London, July 3, 1944

MEMORANDUM OF INTERVIEW WITH SIR WILLIAM STRANG, UNITED KINGDOM REPRESENTATIVE TO THE EUROPEAN ADVISORY COMMISSION, ON 3RD JULY, 1944

In accordance with the suggestion contained in telegram No. 1173 of the 17th June, from the Department of External Affairs and on Mr. Massey's instructions, I called on Sir William Strang to discuss with him certain points arising out of the Draft Instrument of Surrender for Germany, as communicated to the Department of External Affairs under cover of Dominions Office despatch No. 75 of June 9th.†

Sir William had already received a copy of telegram No. 106 of the 16th June from the Canadian Government to the Dominions Office on this subject, and also had a copy of the memorandum of 28th June which was left with the Foreign Secretary. He was therefore well acquainted with the background of the Canadian Government's views.

I developed the main arguments to Sir William along the lines indicated in telegram No. 1173 of 17th June. With regard to the preamble of the Draft Instrument, I emphasised the difficulty of the formula "acting by authority of their respective Governments and in the interests of the United Nations." I said that from our point of view it would be better to omit all reference to the United Nations than to retain this formula. I pointed out that in due course the Canadian Government would have to explain to the Parliament and people of Canada how it had come about that hostilities between Germany and Canada were terminated. It would be natural to ask whether a Canadian representative had signed the Armistice. The Government would, under the proposed arrangements, have to reply in the negative. It would then be asked who had signed on behalf of Canada. Again the Government would not be able to make any satisfactory reply. They would have to say that the Supreme Commanders had signed "in our interests," but this would not be a satisfactory answer to the Canadian people who had contributed so largely to the war effort, and whose army were participating in the assault on Germany. We had strong objections to the phrase "in the interests of the United Nations." Personally, I thought it sounded more like the way in which one referred to mandated territories without competence in foreign affairs than to sovereign states.

I added that as Sir William would realise, we were not speaking for ourselves alone, but we had in mind the position of the United Nations, particularly the European Allies, who had contributed so much and suffered so much in the war, and we felt it was necessary that they, too, should be associated with the Instrument of Surrender.

I said that the Canadian authorites fully appreciated that Sir William, as the United Kingdom representative on the European Advisory Commission, shared our general view in this matter, and had been doing his best to have a more acceptable formula adopted. We also understood the difficulty of obtaining the prior assent of the United Nations to the terms of the Armistice.

Sir William said that he was most sympathetic to the point of view I had expressed, and fully appreciated our anxieties. He said that he would like to explain the steps which were now contemplated by the United Kingdom Government to ensure that effective prior consultation with the Allies principally concerned should in practice be provided for. In this connection he referred me to paragraph 4 of telegram No. 97 from the Dominions Office to the Canadian Government.[28] Sir William explained that he thought the first step should be to invite the Allied Governments most directly affected to submit their views as to the Surrender Terms for Germany, but without communicating the text to them at this stage. Sir William defined the "Allied Governments most directly affected" as the European Allies. The phrase, of course, includes the Dominions, who were, indeed, in a preferential position as they had already seen the text of the Draft Instrument.

The next step would be when a text had been agreed upon by the European Advisory Commission and was ready to be recommended to the Governments represented upon it, to explain that such a text would be subject to modification in the light of any views which the other Allied Governments might express.

In any case, it was Sir William's view, and the view of the United Kingdom Government, that the Allied Governments most directly affected should not only see the text but give their assent to it. The other Allied Governments should, he thought, be shown the text for their information.

Sir William said that these proposals were now before the European Advisory Commission, and he was pressing hard for their acceptance. He was getting full support from the United States Government and from Mr. Winant personally. Mr. Winant's instructions in this connection from his Government were similar to Sir William's own. Sir William thought that the United States Government were sensitive to any criticism that the interests of the European Allies might be being neglected, or that a big-Power hegemony was being established and they were anxious to avoid giving any such impression. The Russians, on the other hand, had been very reluctant to depart in any measure from the tripartite basis, but he thought, although he did not wish to be too optimistic, that they were beginning to move in the right direction.

I then called Sir William's attention to the suggestion contained in paragraph 6 of our telegram No. 106 of the 16th June to the effect that a satisfactory solution might be found by the Supreme Commanders receiving authority from the Governments concerned to exercise command over the various forces comprising their Commands, and then the Instrument of Surrender could be regarded as part of their exercise of that authority.

[28]Document 665.

I also described the relationship of the Canadian Government and Armed Forces to the Combined Chiefs of Staff and to the Supreme Allied Commanders, and mentioned the Canadian Government's decision to communicate to the Allied Commanders in Chief to the effect that they exercise command over the Canadian Armed Forces in their theatres with the full authority of the Canadian Government. I rather got the impression that Sir William had not had an opportunity to give very full consideration to the Canadian Government's solution, and I think from this point of view my talk may have been useful. He said that he thought that consideration would have to be given to the Canadian proposal, and also to any other solutions which might be put forward by the Allied Governments when they had been consulted. He did not feel, however, that this was a matter which could profitably be re-opened in the Commission at the present stage.

Sir William then referred to Articles 12(a) and 12(b) of the Draft Instrument. He said he felt that this was a more difficult question than the wording of the preamble as it involved the participation of the European Allies in determining the treatment of Germany under the Instrument. The Russians were very strongly of the opinion that the treatment to be accorded to Germany was a matter for the three Great Powers to decide.

Sir William made it plain that the United Kingdom authorities shared our views with regard to the association of the European Allies in the settlement with Germany. He thought that the Americans would think much along the same lines.

I pointed out that if the tripartite set-up were maintained the "Allied Representatives" should be vested with authority from those United Nations whose interests were deeply involved, to act on their behalf. Sir William agreed that the directives issued under Article 12(b) were of the greatest importance as they would be concerned with the political and economic future of Germany. Sir William thought that it might be necessary to come to an arrangement with the European Allies so that their interests in the settlement with Germany could be safeguarded. He felt that this was really a question as between the United Nations, and might be the subject of a separate agreement, presumably between the three Great Powers and the Allies involved. It was not a matter which could be dealt with in the Terms of the Instrument of Surrender, and he thought that to write in any references to the interests of the United Nations in connection with Article 12 might encourage the Germans to try to cause trouble by asserting that the three Great Powers were not acting in the true interests of some of the other United Nations.

If it proved possible to get Russian agreement to a satisfactory arrangement with the European Allies about the treatment of Germany under the Instrument of Surrender then the next step would be to associate the European Allies with the Post-Hostilities machinery in Germany. The United Kingdom Government had in mind an Advisory Commission to the projected High Commission for Germany which would be the channel of communication

between the Allied Governments concerned and the tripartite High Commission, (a proposal with which the Department of External Affairs are already familiar from the Post-Hostilities Planning papers).[†]

In addition, the United Kingdom Government were working out plans for associating Allied nationals (other than those of the three Great Powers) with the actual machinery of control, which would have to be set up for Germany. Sir William hoped that the European Advisory Commission would soon be able to give its consideration to the Control Machinery for Germany in the occupation period. He anticipated these questions would have to be dealt with before long by the Commission, and they would obviously have a very important bearing on the whole question of effective participation by the European Allies.

Then, too, Sir William thought there might be certain United Nations organisations of a functional character in Germany. For instance, there might be a United Nations Commission on the Restitution of Property taken from German-occupied countries. From what Sir William said it was clear that the United Kingdom authorities were giving earnest consideration to the necessity for European Allies sharing the responsibility for dealing with the problems of Germany after the war, but that they anticipated considerable resistance from the Russians over this question.

I then mentioned to Sir William the special position of France. Sir William said that while France could, of course, not at present be considered technically as one of the United Nations, it was to be hoped and anticipated that by the time the Instrument of Surrender was signed she could be included in that category. In any event, it was certainly the United Kingdom intention that the French should be consulted with the other European Allies about the Instrument of Surrender, and should give their assent to it.

So far as Post-Hostilities plans in Germany were concerned, it was still an open question whether or not France should be treated on an equality with the three Great Powers, and whether, for example, the High Commission for Germany should not be a four-nation body rather than tripartite. I asked Sir William whether he could tell me anything about the attitude of the Russian representative on the European Advisory Commission to the problem of France. Sir William said that speaking very confidentially he could tell me that the Soviet representative did not show any particular sympathy for the French. Mr. Gusev was inclined to take the line that it was questionable whether the French would be strong enough to be a great Power after the war, and it was also doubtful whether they could be fully trusted, as there were substantial elements in France which had collaborated with the Germans. Sir William said that he thought there were two views held in Moscow on the French question. There was a pro-French trend of opinion which was represented in the articles of Ilya Ehrenburg, and there was also a much more sceptical view to which Mr. Gusev seemed to adhere.

I told Sir William of the proposal of the Canadian Government to take up with the United States and Soviet Government the main difficulties which we saw in the Draft Instrument of Surrender as it at present stood, and which I

had already outlined to him. He said that speaking personally he could see no objection to this course, and that it might prove helpful.

On my thanking him for his full account of the present state of discussions regarding the Draft Instrument of Surrender, Sir William said that he hoped that I would call upon him at any time if he could be of any assistance.

C. S. A. R[ITCHIE]

668. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1328 Ottawa, July 6, 1944

IMPORTANT. SECRET. Your telegram No. 1610 of June 30th. Draft Instrument of Surrender for Germany. Do you expect to receive further reply to the memorandum left with Eden on June 29th? Have you already sent text of this memorandum by bag? Eden's comments to you were more satisfactory than those contained in Dominions Office telegram No. 97 of June 28th which seemed to indicate that little support would be given by United Kingdom Government to the views that we had put forward.

2. In light of your conversation with Eden, may we expect that the "non-possumus" attitude implicit in telegram No. 97 will be modified? We are not concerned only on Canadian account since we feel that if these proposals become known in their present form to other interested Governments there will be strong and legitimate complaint that their position has been disregarded, probably accompanied by accusations that the three powers have ignored paragraph 2 of the Declaration by United Nations and paragraph 5 of the Moscow Declaration on general security.[29] There can be few documents of greater importance to the United Nations than the Instrument whereby the fighting against Germany is ended, and War Committee yesterday decided that we should continue to press our views strongly.

3. Before we definitely decide to take up this question with United States or Soviet Governments, we should welcome a fuller expression of the views of the United Kingdom Government, especially on the points raised in our telegram to you No. 1173 of June 16th.

[29]Voir le volume 9, documents 247 et 248.
See Volume 9, Documents 247 and 248.

669. DEA/7-Es

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1685 London, July 7, 1944

SECRET. Your telegram No. 1328 July 6th. Draft instrument of surrender for Germany.

United Kingdom Government expect to let me have a full expression of their views as a result of my representations to Eden at the beginning of next week. Meanwhile Ritchie has had an interview with Strang, of which a full memorandum was sent to you by air bag under cover of my despatch A.402 of July 3rd, together with copy of my memorandum which I left with Eden.

I urged our view very strongly on Eden, not only from the point of view of Canada's interests, but with relation to the interests of the other United Nations principally affected. I do not anticipate, however, that United Kingdom policy will be much modified at this stage for the reasons given to Ritchie by Strang. The Government do not seem to wish to re-open the question of the European Advisory Commission at the present time. They feel rather that there may be an opportunity for further modification in the text of the draft instrument when the views of the other United Nations principally affected have been received, as contemplated in paragraph 4 of Dominions Office telegram No. 97 of June 28th.

I have little doubt, however, that the United Kingdom Government are in substantial agreement with our own views, and that they intend to do their best to bring about the effective association of the European Allies in the settlement with Germany. The Americans appear to share this view. (On this point Strang's observations to Ritchie are important). The Russian attitude has been stubbornly opposed to the modification of the Tripartite basis both of the signature of the Instrument and of the execution of the settlement with Germany. The United Kingdom Government appear to hope that the Russians may later be induced to modify their stand.

Would you approve my arranging an interview with Winant and discussing these questions with him informally?

MASSEY

670. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1405 Ottawa, July 13, 1944

SECRET. Your telegram No. 1685 of July 7th. Your despatch A.402 of July 3rd has been received. Views expressed by Eden to you and by Strang to Ritchie are more favourable to our point of view than those contained in Dominions Office telegram No. 97 of June 28th. We propose to await the further expression of the views of the United Kingdom Government which you expect this week before taking any other steps.

2. We note that while United Kingdom Government is anxious that effective consultation with the Allies most concerned should take place before final instrument of surrender for Germany is drafted they seem less willing that the form of the draft instrument should be changed. We feel that in this matter it is not possible to separate form from substance if effect is to be given to our representations.

3. We shall telegraph later if we consider it desirable for you to see Winant.

671. DEA/7-Es

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1746 London, July 13, 1944

SECRET. My telegram No. 1685 of July 7th. Draft Instrument of Surrender for Germany. Following is text of a memorandum which has been handed to me by Cranborne to-day, Begins:

In a memorandum of June 29th,[30] the High Commissioner set out the views of the Canadian Government with reference to their telegram No. 106 of June 16th.

2. That telegram was answered by Lord Cranborne's telegram No. 97 of June 28th. Since then, informal consultations have been proceeding almost daily between the United Kingdom, United States and Soviet representatives on the E.A.C. along the lines envisaged in paragraph 4 of Lord Cranborne's telegram.

3. The United Kingdom representative has impressed on the other two members of the Commission the strong feeling of the United Kingdom Government that European Allied Governments should without delay be

[30] Voir la pièce jointe, document 667.
See enclosure, Document 667.

invited to submit their views as to the surrender terms. The Soviet representative has been most reluctant to agree to this being done until the Commission can agree on a joint report to the three Governments covering the draft instrument jointly recommended. Sir William Strang has accordingly urged the other two representatives to settle with him the terms of such a report. It is the earnest hope of the United Kingdom Goverment that a report may be received from the Commission within the next few days and that the Commission will at the same time invite the European Allied Governments, and the French Committee of National Liberation, to submit their views.

4. The Canadian Government have commented on the wording of two passages of the draft instrument. As stated in Lord Cranborne's telegram of June 28th, these comments will be borne in mind when the recommended draft instrument is officially received from the E.A.C. The Canadian Government may be assured that full weight will be given to them together with any comments received from other British Commonwealth Governments and any views submitted by European Allied Governments. It will then be possible to reach a conclusion whether any, and if so what, alterations to the text should be proposed to the United States and Soviet Governments. It is thought that an attempt to reopen the wording of the instrument in the Commission at this stage would seriously prejudice the prospect of making progress with the consultation of other Governments, which it is clearly of the greatest importance to secure. Ends.

MASSEY

672. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3154 Ottawa, July 29, 1944

SECRET. We have sent you copies of all important papers concerning the representations which we have made in London on the form of the draft Instrument of Surrender for Germany. We have today discussed this question with the United States Ambassador, who is reporting this discussion to the Department of State. We read to him nearly all of our telegrams of June 16th, No. 106 to the Secretary of State for Dominion Affairs and No. 1173 to the Canadian High Commissioner in London, and we have told him of the nature of the replies received from London, especially in Dominions Office telegram No. 97 of June 28th and in the High Commissioner's telegram No. 1746 of July 13th.

Mr. Atherton, though aware of the general course of the discussions in the European Advisory Commission, had not seen the draft Instrument itself. He has told Mr. Wrong that he has already briefly discussed our representations

with Mr. Dunn of the State Department by telephone and that he is sending a full report by bag tomorrow.

We particularly emphasized the practical importance of avoiding both the appearance and reality of a three power hegemony over Germany and of finding some means whereby the important secondary Allies, especially those in Europe, should share responsibility for dealing with the problems of Germany after the war.

Mr. Atherton stated that he hoped to be able to hold a further discussion of this matter with us after receiving the views of the State Department. He believed that this might take place before his departure on a Western trip in a week's time. Ends.

673. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3268 Ottawa, August 7, 1944

SECRET. My EX-3154 of July 29th, draft Instrument of Surrender for Germany. The United States Ambassador informed us on August 5th that, following two conversations with Mr. J. C. Dunn, he had been authorized to say that the State Department was very glad to receive our comments, which they would bear carefully in mind. They assumed that we were not expecting a definite reply at this stage as to what the United States Government was ready to do to meet our points, since the question was still under negotiation in the European Advisory Commission. They would keep us informed of developments on these points.

Mr. Atherton was informed that this reply was satisfactory. We appreciated that the United States Government could not, at this stage, state definitely what they were prepared to do. We had wished them to know what was in our minds before the negotiation of the draft Instrument between the three Great Powers had reached finality, especially as we felt that strong objection would be taken by some other Allied Governments, as well as by Canada, if the Instrument were presented in its present form.

674. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1129 London, August 11, 1944

IMMEDIATE. TOP SECRET. Draft Instrument of Surrender for Germany.

Since despatch of my telegram of August 9th, Circular D. 1119†, United States Ambassador has informed us that President, who has unofficially seen copy of text recommended by E.A.C.[31], is prepared to approve it. In these new circumstances we think it very desirable to convey to United States and Soviet Governments our own views with least possible delay. If by time we have formulated our views we are not aware of response of European Allies to Commission's request, our communication to United States and Soviet Governments would make it clear that our statement was subject to the proviso that it might be necessary for the three Powers subsequently to amend the Instrument in light of these replies. As stated previously it was not considered politic, in view of urgency of securing Soviet representative's agreement to consultation with European Allied Governments, to press earlier for alterations on lines suggested in your telegram No. 106 of June 16th, but in present examination of text His Majesty's Government in United Kingdom will pay careful attention to comments already received from His Majesty's Government in Canada, together with any others that may be received from them or from other of His Majesty's Governments.

2. It is our earnest hope that final Instrument may reflect views of all countries allied against common enemy. Since present draft is result of arduous negotiations in E.A.C., United States and Soviet Governments may well be reluctant to agree to changes. But we will, of course, take into fullest account any amendments to which your Government would attach importance. Text is being urgently studied by Departments here and by Combined Chiefs of Staff, and it would be most helpful if we could have your reply before end of next week.

3. My two immediately following telegrams† contain:

(1) Summary of report by E.A.C. and of their letter to European Allies.[32]

(2) Text of Draft Instrument recommended by E.A.C. as compared with text in my despatch of June 9th, Circular D. 75.†

Text is substantially the same and changes are mainly matters of drafting and arrangement.

675. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 140 Ottawa, August 25, 1944

IMPORTANT. TOP SECRET. Your telegram No. 118 of August 20th.† Draft surrender terms for Germany.

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[31] Voir États-Unis, *Foreign Relations of the United States*, 1944, volume 1, pp. 256-61.
See United States, *Foreign Relations of the United States*, 1944, Volume 1, pp. 256-61.

[32] Voir ibid., pp. 63, 254-6.
See ibid., pp. 63, 254-6.

1. We have no comments to offer on the changes made in the text since the version dated May 25th. You already understand that these revisions do not in any way meet our objections as set forth in our telegram No. 106 of June 16th and the High Commissioner's memorandum of June 29th.[33] The Australian, New Zealand and South African Governments have repeated to us their replies† to your telegram D.1129 of August 11th and we note that the Australian and New Zealand Governments object to the Preamble and Article 12(a) on grounds which are substantially the same as those put forward by us. Only four Governments not represented on the European Advisory Commission have had an opportunity of considering the Draft and three of them unite in criticizing strongly the language of the Preamble and Article 12. We feel that this gives some indication of the difficulties which will arise with the European allies unless the language is changed before the text of the Instrument is shown to them.

2. We have noted the emphasis placed by Mr. Hull and Sir Alexander Cadogan in their public statements at the opening of the Washington conversations on world organization on the part which should be played by states other than Great Powers.[34] This points once more to the desirability that the military terms imposed on Germany should in form and fact carry the authority and responsibility of all the Allied states or at least of those which have made a substantial military effort or suffered greatly from German occupation.

3. We welcome the decision to ask the views of the European Allies on the terms of surrender and related matters, although we should have preferred that this request be not confined to the European Allies so that we could have an opportunity of making our views known to the European Advisory Commission directly as well as through the good offices of your representative on it.

4. We have already made our objections clear[35] to the United States Ambassador in Ottawa. Mr. Atherton, after consulting the Department of State, informed us that they were glad to learn our point of view and appreciated our position but felt unable to enter into detailed discussions of the question outside the European Advisory Commission. We have gathered from informal conversations in Washington that the Department of State favours full consultation with other United Nations and may not be averse to alterations in the text. We have not approached the Soviet Government on the matter.

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[33]Voir la pièce jointe, document 667.
See enclosure, Document 667.

[34]Voir États-Unis, *Department of State Bulletin*, N° 11, 27 août 1944, pp. 198-9, 201-2.
See United States, *Department of State Bulletin*, No. 11, August 27, 1944, pp. 198-9, 201-2.

[35]Dans le projet du télégramme, les mots «our objections» venaient après le mot «clear.» Mackenzie King transposa les mots et écriva la note suivante sur le projet:
In the draft of the telegram the words "our objections" came after the word "clear." Mackenzie King transposed the words and wrote the following note on the draft:

Approved with above transposition as U.S. Ambassador still *persona grata*. W. L. M[ACKENZIE] K[ING] 25-8-44

676. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

DESPATCH 82 Ottawa, August 25, 1944

SECRET

My Lord,

With reference to your Circular despatch D. No. 98 of August 10th† enclosing three draft Proclamations and one General Order† prepared for the guidance of Sir William Strang in the European Advisory Commission, it is desired to draw your attention to the employment in these drafts of language similar to that to which objection was taken by the Canadian Government in the Draft Instrument of Surrender for Germany. In the first draft Proclamation the Governments of the United States, United Kingdom and Soviet Union are referred to as the authority from which Proclamations, etc., will issue in Germany and in section 49 of the draft General Order the definition of the term "Allied Representatives" refers to them as representatives of the Supreme Commands of these three countries. The reasons which led the Canadian authorities to press for a wider description have been explained fully in telegram No. 106 of June 16th and in the memorandum left with you by the Canadian High Commissioner dated June 28th.[36]

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

677. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1247 London, September 1, 1944

IMPORTANT. TOP SECRET. Addressed Canada, Australia and New Zealand, repeated to Union of South Africa. Instrument of Surrender for Germany. Text recommended by E.A.C. July 25th has now been studied here and, on understanding that it is open to reconsideration in light of replies from European Allies to Commission's letter of July 25th, we are prepared to approve its substance.

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[36] Voir la pièce jointe du document 667.
See enclosure of Document 667.

2. We have also now been informed that Soviet Government approve draft text as recommended by E.A.C.

3. We have given most careful consideration, in consultation with United Kingdom representative on E.A.C., to all replies received to my telegram of August 11th, Circular D. 1129. Choice before us is either (a) to reopen discussion in E.A.C. of wording of preamble and Article 12(a) or (b) to approve text as it stands and to try to meet your criticisms in some other way. We have, therefore, reviewed course of negotiations so far.

4. Preamble. Term "on behalf of" appeared in draft terms which we submitted to E.A.C.[37] (my despatch of January 20th Circular D. 9)[+] and as stated in my telegram of April 4th Circular D. 502 United Kingdom representative was instructed to obtain inclusion of this term if possible. We should have greatly preferred it to term "in the interests of" and United Kingdom representative made strenuous and repeated efforts to secure it. This was firmly resisted by United States representative on ground that "on behalf of the United Nations" would require prior communication of text to all United Nations and their explicit authority for signature, and that this would almost certainly prove impracticable. Soviet representative supported United States arguments and was also opposed on ground that it was unnecessary to consult other United Nations. We did not admit these contentions, but it became clear that prolongation of the argument was unlikely to lead to a more satisfactory result. United Kingdom representative was therefore authorised to acquiesce in "in the interests of" provided that it was agreed in Commission that views of Governments most directly affected should be sought before draft Instrument was finally approved. Despite Soviet representative's reluctance we did, as you know, succeed in securing consultation by E.A.C. with European Allies.

5. We agree that terms of preamble in draft of May 25th[38] were open to criticism that Germany would be explicitly surrendering to Supreme Commands of United Kingdom, United States and U.S.S.R. Recommended text, however, is framed on basis that Germany announces her unconditional surrender without it being stated to whom, and the representatives of the three Supreme Commands announce terms with which Germany shall comply. We think this an improvement on the earlier wording.

6. Article 12(a). "The United Kingdom, United States and U.S.S.R. shall possess supreme authority with respect to Germany." We sympathise with view that other countries should be associated in some way with exercise of this authority. United States draft[39] originally contained phrase "in interests of the United Nations," but we were advised that its inclusion might leave loophole for Germans to challenge some particular action taken under it on the ground

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[37]Voir États-Unis, *Foreign Relations of the United States*, 1944, volume 1, pp. 116-39.
See United States, *Foreign Relations of the United States*, 1944, Volume 1, pp. 116-39.

[38]Voir le document 661.
See Document 661.

[39]Voir États-Unis, *Foreign Relations of the United States*, 1944, volume 1, pp. 168-70.
See United States, *Foreign Relations of the United States*, 1944, Volume 1, pp. 168-70.

that it was not "in interests of United Nations" or that proof was required that it was. We therefore authorised United Kingdom representative to propose its deletion, and this was agreed to by United States and Soviet representatives. We assume that you would have felt same objection to it here as in preamble. On other hand, United States representative would probably have made same objections to "on behalf of" in Article 12(a) as in preamble. Course of discussions indicates that neither United States nor Soviet representative would have agreed to substitution of "United Nations" for "United Kingdom, United States and U.S.S.R.".

7. We regret that in light of foregoing account of long and arduous E.A.C. discussions on these points, we see no prospect of securing agreement on alterations of wording of the two passages in question by insisting that E.A.C. should reconsider recommended text solely for this purpose, though should observations of European Allies lead to reopening of discussion of Instrument, we will certainly bear the two passages in mind in case suitable opportunity should then occur of amending them. Reference back to E.A.C. would, moreover, have grave drawback from our standpoint that it would delay other pressing business such as protocols on occupation of Germany and Austria, control machinery and orders and proclamations to be issued in pursuance of surrender terms, none of which Soviet representative was prepared to discuss until Instrument itself was out of the way. In these circumstances we have considered what alternative possibilities were open to us under paragraph 3(b) above.

8. We welcome suggestion that Governments most directly concerned in war against Germany should be invited to assent to terms before presentation to Germans, and to authorise signature on their behalf and to declare publicly that they had been consulted and had agreed and given authority for signature. United Kingdom representative on E.A.C. will accordingly be instructed to press for draft Instrument to be communicated to these Governments. We feel that it would be impracticable to include all the United Nations, and that if proposal is to have any chance of adoption it will need to be limited to Dominions and European Allies, with perhaps China and Brazil. We contemplate that terms would be communicated to other United Nations immediately before presentation to Germans.

9. If the proposal on these lines is adopted we think that separate statements would be preferable to a joint Declaration in view of practical difficulties of concerting terms among so many different Governments.

10. As to Article 12(a), it was never our intention that United Kingdom, United States and Soviet Governments should exercise powers with respect to Germany without consultation, as necessary, with other countries concerned. Paragraph 4(b) of our proposals on High Commission machinery for Germany (my despatch March 25th, Circular D. 32)† suggested formation of an Advisory Council, nature and composition of which were being studied. Preliminary conclusions of this study were embodied in memorandum† given to your officials during Prime Ministers' meeting in May. We think that provision for an Advisory Council would go far to meet objections expressed to Article

12(a) as it stands. Its scope and functions would need to be agreed with United States and Soviet Governments, and United Kingdom representative on E.A.C. will be instructed to press our proposal.

11. We trust that you will agree that these instructions to United Kingdom representative as described in paragraphs 8 and 10 above will substantially meet points made in your telegram,[40] and we hope that you and other British Commonwealth Governments will authorise acceptance on their behalf of German surrender and signature of these terms when time comes.

12. Text of communication which United Kingdom representative is sending to United States and Soviet representatives on E.A.C. is in my immediately following telegram. Ends.

678. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1248 London, September 1, 1944

IMPORTANT. TOP SECRET. My immediately preceding telegram. Surrender terms for Germany. Operative part of letter from the United Kingdom representative on the European Advisory Commission to United States and Soviet representatives, Begins:

His Majesty's Government in the United Kingdom approve the draft Instrument and assent to the understanding as regards Article 2(b) recommended in section II of report of Commission.

His Majesty's Government wish, however, to make their approval of draft Instrument subject to an understanding on the following lines:

(i) That Instrument will still be open to reconsideration in the light of any replies received from European Allied Governments or authorities to letter addressed to them by the Chairman of the Commission on July 25th, 1944.

(ii) That text of Instrument will, at the earliest convenient date, be communicated to the Governments of the United Nations chiefly concerned, who will be invited to concur in its terms and to authorize representatives of the Supreme Commands of the three Powers to accept the unconditional surrender of Germany on their behalf, and that the Governments of other United Nations will be informed of terms at an appropriate moment before the surrender of Germany.

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[40] Voir le document 675.
See Document 675.

(iii) That in connection with exercise of powers (groups omitted—repetition requested)[41] the three Governments will make suitable provision for consulting, as the occasion requires, with other members of the United Nations.

(iv) That the above is without prejudice to the special position of France. Ends.

679. DEA/7-Es

Le premier ministre de la Nouvelle-Zélande au Premier ministre

Prime Minister of New Zealand to Prime Minister

TELEGRAM 11 Wellington, September 5, 1944

IMPORTANT. TOP SECRET. Addressed to Secretary of State for Dominion Affairs No. 221, repeated Ottawa No. 11, Canberra No. 153, Pretoria No. 20. Surrender terms for Germany.

1. We are grateful for the information given in your telegrams Circular D. 1247 and Circular D. 1248, regarding the present position. We regret that it is not apparently possible to secure the agreement of the United States and U.S.S.R. to the improvements proposed by other Dominion Governments and ourselves, but do appreciate the efforts that you have made in this connection. While the position may have to be accepted, we must make it clear that we still adhere to the views expressed in our telegram No. 136 of the 19th August† and, on the grounds explained therein, have considerable misgiving both as to probable acceptance by the European Allies and the future of international collaboration if the Instrument is to be completed in the form now proposed.

2. We note the instructions regarding future procedure which His Majesty's Government in the United Kingdom are giving to their representative in the European Advisory Commission and hope that it will result that the arrangements proposed, which represent some advance, are accepted by the other members.

We would prefer to have information on the views of the Governments who will be approached in accordance with the proposal contained in paragraph 8 of your telegram Circular D. 1247 before giving authority for signature by the Supreme Commands of the United Kingdom, United States of America and U.S.S.R.

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[41] On indiqua plus tard que les mots omis étaient comme suit:
It was later indicated that the missing words were as follows:
assumed under Article 12 of the Instrument.

680. DEA/7-Es

Le premier ministre d'Australie au Premier ministre

Prime Minister of Australia to Prime Minister

TELEGRAM 17 Canberra, September 7, 1944

IMPORTANT. TOP SECRET. Addressed to External, Wellington, No. 195, repeated to Primus, Pretoria, No. 77, External, Ottawa, No. 17. Following telegram has been sent to Secretary of State for Dominion Affairs, Begins:

No. 225. Top Secret. Your telegrams Circular D. 1247 and Circular D. 1248, surrender terms for Germany.

We appreciate your account of the present position in this matter, and note the possibility that there may still be an occasion for reconsideration by the European Advisory Commission of the text of the preamble and of Article 12A. The request of the French Committee of National Liberation might raise such an occasion. We suggest that you instruct your representative on the European Advisory Commission to make every effort to secure satisfactory amendment of the two passages.

2. Failing this, we would, as regards the preamble, desire to follow through our suggestion referred to in paragraph 8 of your telegram Circular D. 1247. While we do not think it essential that the Declaration should be made jointly by all the Governments most directly concerned in the war against Germany, we regard a Joint Declaration by the Dominion Governments as essential.

3. As regards Article 12A, we note that provision for the association of other Governments with the exercise of authority over Germany is left merely to an understanding between yourselves, the United States and the U.S.S.R. (see paragraph 10 of Circular D. 1247 and (III) of Circular D. 1248). We think there should be an explicit assurance. In addition to any arrangements which might be found feasible, e.g., participation in the work of an Advisory Council, we regard it as of the first importance for the reasons given in paragraph 3 of my telegram No. 197 of August 19th† that there should be also a definite public statement of intention on the part of yourselves, the United States and the U.S.S.R. that other Allied Governments will be consulted in the exercise of the powers under Article 12 and will be associated directly with the agencies charged with the execution of the terms of Article 12. We hope that you will press this point with the other two Governments with all the necessary emphasis. Ends.

681. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 167 Ottawa, September 9, 1944

IMPORTANT. TOP SECRET. Addressed London No. 167, repeated Canberra No. 17, Wellington No. 18, Pretoria No. 16.

Your telegrams Circulars 1247 and 1248 of September 1st, Instrument of Surrender for Germany. We agree with the general line taken by the Australian and New Zealand Governments in their replies. Like them we appreciate your efforts to secure the concurrence of the Soviet and United States Governments in a solution which would meet our views.

2. We attach great importance to the acceptance by these Governments of all the understandings set forth in the letter from the United Kingdom representative on the European Advisory Commission quoted in your telegram D. 1248. Our information suggests that the United States Government is unlikely to make difficulties.

682. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1463 London, September 28, 1944

TOP SECRET. My telegram of September 15, Circular D. 1391.[†] Surrender Terms for Germany.

Soviet representative on E.A.C. has sent United Kingdom representative letter referring to letter of August 31st (my telegram Circular D. 1248) and stating that since United Kingdom confirmation of draft terms was accompanied by reservations, Soviet Government reserved to itself, in event of essential new circumstances, the right also to introduce appropriate amendments.

2. United States representative thereupon observed that these two letters left United States Government alone in accepting draft terms without reservation. Draft terms were therefore left without any firm foundation. This was disturbing because the same might apply to any other Instrument recommended by E.A.C., and the usefulness of E.A.C. as a means of reaching agreement between the three Governments is in jeopardy. He hoped, therefore, that United Kingdom would now accept draft terms without reservation and that Soviet Government would revert to their previous unconditional acceptance.

3. We have accordingly re-examined position and have reached following conclusion as regards the four points in my telegram Circular D. 1248.

(I) Reconsideration in light of Allied replies to letter of July 25th, and

(II) Communication of text for concurrence to other Governments chiefly concerned. E.A.C. have not yet officially considered replies but on a first reading it seems unlikely that they will think it necessary to amend the draft terms on account of them. United Kingdom representative has been instructed to propose that text of draft terms should be communicated to European Allies for concurrence and that if they wish they should be allowed to send representatives to discuss it with E.A.C. If E.A.C. do not accept this proposal it will still be open to us to consult the Allies ourselves.

(III) Provision for consultation with other United Nations in connection with Article 12. Soviet representative has strongly criticised proposal for an Advisory Council on grounds that:

(a) Since the members would be representatives of Sovereign States a purely advisory status in relation to the United Kingdom, United States and U.S.S.R. would be derogatory. (Advisory Council for Italy is different as it includes United Kingdom, United States and U.S.S.R.)

(b) Establishment of Advisory Council as a corporate body would constitute a trespass on primary responsibility of United Kingdom, United States and U.S.S.R. for work of control. United States representative who at first received our proposals sympathetically, later doubted wisdom of setting up a corporate Allied body and suggested instead appointment of a Liaison Mission from each of Allied countries concerned. In these circumstances it will be extremely difficult, if not impossible, to secure acceptance of proposal for an Advisory Council. We continue none the less to attach great importance to provision for consulting other United Nations and are therefore instructing United Kingdom representative in current discussions to press for a provision on following lines, Begins:

The necessary consultation with Governments of other United Nations chiefly interested will be ensured by appointment by such Governments of Missions accredited to Control Council and having access through appropriate channels to organisations of control. Ends.

If this formula is accepted, United Kingdom representative is to suggest that United Kingdom, United States and Soviet Government should state publicly that "in connection with exercise of powers assumed in Instrument of Surrender, arrangements will be made for consultation with other United Nations."

(IV) France. United Kingdom representative has informed Commission of his instructions (my telegram September 1st, Circular D. 1249)[+] to support request of F.C.N.L. that a French representative should attend when German affairs are discussed. Neither United States nor Soviet representative has yet expressed any view.

4. United Kingdom representative doubts whether we shall improve prospect of attaining our objects by maintaining conditions in his letter of August 31st, and suggests that by emphatically drawing attention to our requirements it has already had its maximum effect. Accordingly, in view of Soviet letter and

United States representative's urgent representations, he has been authorised to inform E.A.C. that we still attach great importance to points in my telegram Circular D. 1248. But in view of discussions that have opened in E.A.C. since that date, His Majesty's Government in United Kingdom do not now attach any qualification to their approval of draft terms. Ends.

683. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

DESPATCH 96 London, September 28, 1944

SECRET

Sir,

I have the honour to acknowledge the receipt of your despatch No. 82 of 25th August regarding the draft Proclamations and General Order under consideration in connection with the Surrender of Germany.

2. It was considered necessary that the wording of these documents should be related to that employed in the Instrument of Surrender itself. It was for this reason that the United States, United Kingdom and Soviet Union, who are mentioned in Article 12(a) of the draft Instrument, were referred to in paragraph 1 of draft Proclamation No. I. Similarly, the definition of "Allied Representatives" in Section 49 of the draft General Order corresponds to the definition in the preamble of the Instrument of Surrender.

3. The views of His Majesty's Government in Canada on the wording in each passage are well understood here but the difficulties of securing alterations in the text of the draft Instrument were explained in my Circular telegram D. No. 1247 of 31st August, which crossed your despatch under reply.

I have etc.

CRANBORNE

684. DEA/7-Es

Mémorandum du sous-secrétaire d'État associé aux Affaires extérieures au Premier Ministre

Memorandum from Associate Under-Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, February 15, 1945

I attach for your approval a draft telegram to the Dominions Office[42] taking strong exception to the language proposed for use in the preamble of the first Proclamation which would be issued to the German people in the event that

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[42]Voir le document suivant.
See following document.

German resistance collapses without the conclusion of a formal Instrument of Surrender. We unsuccessfully sought last year to have the terms of the Instrument amended so as to associate with it more effectively the countries which will have made a serious contribution to German defeat but both the Soviet and the U.S. Governments were unwilling to do more than agree to certain minor verbal changes. Authority in Germany, therefore, will stem from the U.S., U.K., U.S.S.R. and now France.

This draft preamble, however, goes beyond anything that has been submitted before in ignoring the participation of other countries in the war against Germany and the Proclamation itself, if there were no Instrument of Surrender, would be a most important document taking the place of such an Instrument or an Armistice. I think, therefore, that we should certainly register a prompt and strong objection to the wording proposed by the U.S. representative.[43]

H. W[RONG]

685. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 41 Ottawa, February 17, 1945

SECRET. Your despatch D.10 of January 28th.† Proclamations, etc., to be issued after German defeat. The alternative wording in revised draft circulated by the United States representative in European Advisory Commission reads "Germany has been completely defeated on land, sea and air by the armed forces of the U.S.S.R., United Kingdom and the U.S.A." This alternative is presumably intended for use in event that organized resistance ceases without formal unconditional surrender by German Government and German High Command.

2. You will, I am sure, agree that this wording would be most inappropriate in that it excludes contribution towards defeat of Germany by other Commonwealth countries and other United Nations. If it were used the German people would be told in the first order issued to them after Allied victory that they had been defeated by the forces only of the three great powers. I trust that the United Kingdom representative on the European Advisory Commission will be instructed to insist on the amendment of the draft.

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[43]Les notes suivantes étaient écrites sur ce mémorandum:
The following notes were written on the memorandum:
I agree. N. A. R[OBERTSON]
I also agree—most emphatically. W. L. M[ACKENZIE] K[ING]
Copy sent P[rime] M[inister] for approval 15-2-45 R[OBERTSON]
Approved by P[rime] M[inister] and sent 17-2-45 H. W[RONG]

3. Our general objections to the exclusively tripartite character of the draft proclamations to be issued under the terms of surrender were mentioned in my despatch No. 82 of August 25th, 1944.

686. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

DESPATCH 247 Ottawa, February 19, 1945

SECRET

Sir,

In my despatch No. 1853 of December 30th† I gave you information on the methods proposed for the association with the European Advisory Commission of Governments other than the three great powers. You are already familiar with the draft German Instrument of Surrender which has been approved by the European Advisory Commission and seems likely to be adopted by the Governments concerned with amendments providing for the participation of France.

2. Consideration is being given to the possibility that German resistance may collapse without the signature by the German Government and High Command of any instrument. The European Advisory Commission has been preparing draft Proclamations to be issued by the Allied military authorities to the German people and in framing the preamble to these Proclamations the Commission has felt it desirable to include alternative wording. We have recently received from the Secretary of State for Dominion Affairs copies of the revised drafts of Proclamations and a General Order to be issued by the Allied representatives immediately after the signature of the Instrument of Surrender or after the cessation of organized resistance. These drafts have been circulated by the United States representative and have been taken by the European Advisory Commission as a basis for discussion. The preamble to the first draft Proclamation in this document reads as follows:

To the People of Germany:

The German Government and the German High Command have acknowledged the complete defeat of the German armed forces, on land, at sea and in the air, and have surrendered unconditionally to the Supreme Commands of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America. (Alternate wording: Germany has been completely defeated on land, at sea and in the air by the armed forces of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America.)

3. Your attention is directed to the alternative wording included in this extract. While the Canadian Government has not been satisfied with the form

either of the Instrument of Surrender or of the draft Proclamations based thereon, it has not proved possible to secure their amendment to meet our views. The alternative wording in this Proclamation, however, goes beyond anything that has been submitted before in ignoring the participation of other countries in the war against Germany. If through the disappearance of organized authority in Germany no Instrument of Surrender were to be signed, it would seem that the alternative wording cited above might be the opening words of the first Order issued by the victorious Allies to the German people. A telegram was despatched to the Secretary of State for Dominion Affairs on February 17th drawing attention to these considerations and requesting that the United Kingdom Representative on the European Advisory Commission should be instructed to insist on the amendment of the draft.

4. You will note that the objectionable language was proposed by the United States Representative on the Commission who must have been acting under instructions from the United States Government. It would be advisable at present for you not to reveal to the Department of State that the Canadian Government has received from the United Kingdom Government a copy of the document in question. You should, however, take any suitable opportunity that may arise of impressing on the Department of State the unwisdom of ignoring in such documents the part played by Allied countries other than the great powers in bringing about the defeat of Germany.

I have etc.

N. A. R[OBERTSON]
for the Secretary of State
for External Affairs

687. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-812 Ottawa, March 3, 1945

SECRET. My despatch No. 247 of February 19th concerning the draft Proclamation to the people of Germany. You are authorized at your discretion to take up with the Department of State our strong objections to the language proposed by their representative on the European Advisory Commission for inclusion in the preamble to Draft Proclamation No. 1 in the event that organized resistance ends in Germany without the signature of an Instrument of Surrender.

688. DEA/7-Es

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET March 5, 1945

Among the questions which you might consider raising with the President[44] is the constant tendency of the great powers to ignore the contribution of the other Allies to the defeat of the enemy. Among the worst and most recent examples of this tendency is the wording proposed by the U.S. representative on the European Advisory Commission for the preamble to the first Proclamation to be issued to the German people after the cessation of organized resistance. The Commission has wisely been considering the forms to be employed if no German authority exists capable of signing an instrument of surrender. The language proposed by the U.S. representative (which has been accepted by the Commission as a basis for discussion) is far from wise. If it were used, the first Order issued to the German people on their defeat would begin as follows:

"To the people of Germany:

Germany has been completely defeated on land, at sea and in the air by the armed forces of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America."

We telegraphed on February 17th to London strongly protesting against this proposal but have received no reply. Pearson has also been authorized to discuss it with the State Department.

It would not have been difficult for the great powers publicly to recognize the difficult problems set for other Allied Governments through the necessary concentration of responsibility for the direction of the war in a few hands. So far as I can recall there has been no public recognition of these difficulties from either the President or Mr. Churchill and there has certainly been none from Marshal Stalin. A cumulative effect of this relegation of the other Allies to the role of auxiliaries has undoubtedly been to make inter-Allied cooperation more difficult and at times to make people feel that their efforts are not appreciated and that, therefore, they are not called upon to exert themselves to the full. If the full story were told, it would give plenty of ammunition to the sort of criticism of the Canadian war effort which is represented in its extreme form by Mr. Chaloult.[45]

One does not wish to be plaintive or to ask for compliments. Few things, however, seem harder to achieve than to persuade the great powers to look at

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[44]Une visite du Premier ministre à Washington était fixée pour le 9 au 13 mars.
A visit by the Prime Minister to Washington was planned for March 9 to 13.

[45]Député, Assemblée nationale de Québec.
Member, National Assembly of Quebec.

the position fairly from the point of view of the smaller responsible countries among the Allies. Once the concentration of effort on the single objective of victory has ended with its attainment, this tendency of the great powers will become more disruptive and dangerous than it is at present. This does not seem to be clearly realized in Washington and it is hardly realized at all in Moscow. In London they are somewhat more conscious of it. A word from you to the President, with the sample quoted above to illustrate the point, should have some effect.

689. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

DESPATCH 16 London, March 5, 1945

SECRET

Sir,

With reference to your telegram No. 41 of the 17th February, regarding the alternate wording of the preamble to the United States revised draft of Proclamation No. 1 to be issued after the defeat of Germany, I have the honour to state that His Majesty's Government in the United Kingdom agree with the view of His Majesty's Government in Canada.

2. The phraseology in question had already been noted and the United Kingdom representative on the European Advisory Commission intends to press for the substitution in the United States draft of a preamble, modified as necessary, such as was used in the corresponding United Kingdom draft[46], of which a copy was enclosed in my circular despatch D No. 98 of 10th August, 1944.[†]

I have etc.

CRANBORNE

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[46]Le texte se lisait comme suit:
The text was as follows:

The German Government and the German High Command, having recognized and acknowledged the complete defeat of the German armed forces, on land, at sea and in the air, and announced Germany's unconditional surrender

690. DEA/7-Es

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1265 Washington, March 8, 1945

SECRET. Your teletype EX-812, March 3rd, draft Proclamation to the people of Germany. I saw Dunn of the State Department about this this morning and told him that we objected most strongly to the proposed alternative preamble referred to in your despatch No. 27 of February 19th and which had been submitted to the European Advisory Commission by the United States representative. I went on to say that while the Government of Canada had not been satisfied with the form either of the Instrument of Surrender or of the draft Proclamation based thereon, it had not so far proved possible to secure their amendment to meet the views of the Canadian Government. The alternative wording in the Proclamation, however, went beyond anything that had been submitted before in ignoring the participation of other countries in the war against Germany. If, through the disappearance of organized authority in Germany, no Instrument of Surrender were to be signed, it would seem that the alternative wording cited above might be the opening words of the first order issued by the victorious Allies to the Germany people.

Dunn readily appreciated the point and expressed surprise that such a draft had even been submitted. He said he would look into the matter.

691. W.L.M.K./Vol. 339

Mémorandum[47]

Memorandum[47]

Williamsburg, Virginia, March 13, 1945

RE: TENDENCY OF GREAT POWERS TO IGNORE THE CONTRIBUTION OF THE OTHER ALLIES TO THE DEFEAT OF THE ENEMY

This is illustrated in the wording proposed by the U.S. representative on the European Advisory Commission for the preamble to the first proclamation to be issued to the German people after the cessation of organized resistance.

If the language proposed by the U.S. representative which has been accepted by the Commission as a basis for discussion were used, the first order issued to the German people on their defeat would begin as follows:

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[47]Ce mémorandum fut rédigé par le Premier ministre pendant son voyage à Washington. Les notes suivantes étaient écrites sur ce mémorandum:
This memorandum was drafted by the Prime Minister during his trip to Washington. The following notes were written on the memorandum:
March 13 after the press conference.
[Shown?] President [and?] at his request left with him.

"To the people of Germany:

Germany has been completely defeated on land, at sea and in the air by the armed forces of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America."

Canada has protested to London against this proposal but, thus far, has received no reply. Canadian Ambassador at Washington has been authorized to discuss it with the State Department.

Wording such as the above would prejudice inter-allied co-operation at San Francisco and in the years following the war. The declaration to the people of Germany would seem to afford to the Great Powers an opportunity publicly to recognize the difficult problem set out for other allied governments through the necessary concentration of responsibility for the direction of the war in a few hands, and to cause them to feel that their efforts have been appreciated.

It is all important that the Great Powers should look at the position fairly from the point of view of the smaller responsible countries among the Allies.

692. DEA/7-Es

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1721 Washington, March 30, 1945

SECRET. Following for Robertson from Pearson, Begins: I have just received the following communication from Dunn, Assistant Secretary of State, Begins:

My Dear Mr. Ambassador:

I have been closely considering the views of your Government, which you recently communicated to me informally, on the wording of some parts of the proposed Proclamation accompanying the draft Instrument of Surrender for Germany which appear to take insufficient account of Canada's magnificent contribution to the prosecution of the war.

I must say that these views seem to me to be well founded; and I hope that a new wording can be adopted which will be free from any implication that the sacrifices of Canada and other nations fighting with the Allies had not been adequately recognized.

We have already communicated your views to the United States representative on the European Advisory Commission, but I suggest that your Government should take up the matter formally in London in accordance with standing procedure.

A new draft is now being negotiated in the Commission which may replace the present "General Order" and "Proclamations." Incidentally, the term "General Order" and "Proclamation" are inexact and misleading since we did not intend that they should be proclaimed to the public but that they should

constitute an agreement on additional non-military requirements to be imposed by the occupying Powers.

I am very glad that you brought this matter to my attention and I am taking it up with the War and Navy Departments, which, of course, must be consulted. Ends.

693. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 794 Ottawa, April 4, 1945

Surrender terms for Germany. You will no doubt have seen Circular despatch D. No. 10 of January 28th† from the Dominions Office enclosing copies of the revised draft Proclamations and of a General Order to be issued by the Allied representatives immediately after the signature of the Instrument of Unconditional Surrender or after the cessation of organized resistance in Germany. You will also have seen our telegram No. 41 of February 17th bringing to the attention of the Dominions Office the undesirable character of the alternate wording of the revised Proclamation which had been circulated by the United States representative in the European Advisory Commission. This matter was also taken up informally by the Canadian Ambassador in Washington with the State Department and my immediately following telegram† contains the text of a communication dated March 30th, which Mr. Pearson has received from the Assistant Secretary of State. We, therefore, presume that there will be no difficulty in having an appropriate amendment made in the preamble to the Draft Proclamation No. 1.

2. We are not, however, by any means clear as to the procedure which is to be adopted to mark the end of hostilities in Germany in the increasingly probable event that there will be no German civil or military authority available to sign an Instrument of Surrender. It is necessary for us to have a clarification of the procedure contemplated as it will have to be explained in due course to the Canadian Parliament and people and they will have to be told the manner in which the Canadian Government is to be associated with Allied action in this regard. I should appreciate your taking this matter up urgently with the United Kingdom authorities on an informal basis. Perhaps it would be possible for a member of your staff to discuss the questions involved with Sir William Strang, along the following lines:

In view of the probability that there will be no German authority available to sign an Instrument of Surrender, we are anxious to ascertain what general Instrument will be employed to mark the cessation of organized resistance in Germany and how it is proposed that Canadian Government should be associated with such an Instrument. In particular (a) are we to understand from Circular Despatch No. 10 of January 28th that if agreed in the European

Advisory Commission the text of Proclamation No. 1 will be used either in the case that an Instrument of Unconditional Surrender is signed by the German civil and military authorites or in the case that no such signature takes place but organized resistance in Germany ceases? (b) it appears from the communication which we have received from the State Department, referred to above, that a new draft is now being negotiated to replace both the present General Order and the present Proclamations. If this is the case, we should be grateful for any available information regarding the character of this new draft; (c) we also understand from the State Department that it is not contemplated that this Instrument should be proclaimed to the German public but that it should constitute agreement on additional non-military requirements to be imposed by the occupying powers. We should appreciate clarification on this point.

I may add for your guidance that it is our own feeling that the swift progress of events in Germany may have rendered previous drafts of the E.A.C. out of date. For instance, paragraphs 3, 4, 5, and 6 of Draft Proclamation No. 1 must already have been proclaimed to the German public in the conquered areas. It may well be that the conquest will proceed by means of a series of local surrenders and that proclamations will be issued on the spot to the people of the conquered areas. We consider, however, that in addition to these local proclamations there will no doubt be some general Instrument whether it be in the form of a Proclamation or not which will lay down Allied additional non-military requirements to be imposed upon the German people and we are still in the dark as to what form this Instrument is to take. When we have further information as to the character of this Instrument, we shall have to take up formally the question of Canadian association with the arrangements contemplated.

694. DEA/7-Es

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1065 London, April 16, 1945

IMMEDIATE. SECRET. Surrender terms with Germany.

1. With reference to your telegram No. 794, Sir William Strang informs us that United Kingdom delegation in the European Advisory Commission have drafted a Declaration to be published in the event that there will be no German civil or military authority to sign the Instrument of Surrender. This Declaration would take the place of the Instrument of Surrender. It is being circulated through the Dominions Office and should reach you shortly. The United States and French representatives are in general agreement with this draft.

2. In the view of the United Kingdom, the two Proclamations and the General Order should also be used in this eventuality, although in somewhat

amended form. The United Kingdom representative is now preparing a draft in which Proclamations 1 and 2 are combined. One amendment in this revised and combined draft provides that Proclamations issued locally by Allied Commanders would remain valid unless they are in conflict with the terms either of the Declaration or of any of the Proclamations or Orders issued pursuant to it.

3. Sir William had not heard of any draft Instrument prepared by the State Department to take the place of Proclamations 1 and 2 and the General Order. Nor did he know that the State Department wish this Instrument to remain secret. However, he did say that the United States representative in the European Advisory Commission had expressed the view that some of the provisions in the present United Kingdom draft of the General Order should not be published.

4. U.S.S.R. declares that it is not yet ready to consider Proclamations and the General Order in the European Advisory Commission and is preparing an alternate draft which has not yet been circulated to the Commission. The Soviet representative has not yet expressed his agreement even to the idea of issuing a Declaration in the event that it is impossible to obtain an Instrument of Surrender, far less to its precise terms.

5. Sir William is confident that the phrase in the United States draft Proclamation to which we object will not now be used. But he is very sceptical whether it will be possible for us to be associated with the proposed Declaration in any formula which would be satisfactory to us. No doubt, however, this would be the subject of further representations on your part after the draft Declaration has reached you.

6. A full report of the conversation with Sir William Strang follows by bag.[†]

695. DEA/7-Es

Le sous-secrétaire d'État par intérim aux Affaires extérieures à la délégation à la conférence des Nations Unies sur l'organisation internationale, San Francisco

Acting Under-Secretary of State for External Affairs to Delegation to the United Nations Conference on International Organization, San Francisco

TELEGRAM D-22 Ottawa, April 25, 1945

SECRET. Following for Robertson from Read, Begins: With reference to my telegram D. 19 of April 24th,[†] regarding the draft of a unilateral Declaration proposed by the United Kingdom Government for use in the event that there is no German authority capable of signing unconditional surrender at the time of German collapse, a memorandum[†] has now reached us from Massey recording a conversation between LePan and Sir William Strang. A copy will be sent to you in the next bag.

Strang apparently doubts that it will be possible to have the text of the proposed Declaration altered to associate us to our satisfaction, although he is

sure that the United Kingdom Government would do everything it could to meet our wishes. The principal difficulty, Strang suggests, would be the likely Soviet objection to enlarging the number of countries whose agreement on the proposed Declaration would have to be secured. Ends.

696. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire d'État par intérim aux Affaires extérieures[48]

Secretary of State for External Affairs to Acting Secretary of State for External Affairs[48]

TELEGRAM H-37 San Francisco, April 27, 1945

IMMEDIATE. SECRET. Your telegrams D-19† and D-22. Procedure at time of German collapse.

We agree that you despatch at once a telegram to Dominions Office in form proposed in your telegram D-19, except that final words should read "concurs in the substance of the declaration, although not entirely satisfied with its form."[49] We appreciate that acceptance by Soviet Government of proposed amendment is doubtful. You should, in any case, prepare a statement on lines proposed in paragraph 5, including reference to fact that Canadian Government had sought inclusion of specific reference to other United Nations which had actively participated in defeat of Germany.

697. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 108 Ottawa, April 28, 1945

We note that the form of association in the Preamble of the proposed unilateral Declaration[50] forwarded from the Dominions Office under circular despatch D. No. 56 of April 10th,† is similar to that in the Instrument of Surrender to which the Canadian Government expressed its objection in telegrams to the Dominions Office, Nos. 106 of June 16th, 1944, and 140 of August 25th, 1944.

2. While we appreciate the practical difficulties involved in associating all the United Nations with such a Declaration or with the Instrument of Surrender,

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[48] Mackenzie King et N. A. Robertson étaient à la Conférence de San Francisco.
Mackenzie King and N. A. Robertson were at the San Francicso Conference.

[49] Le texte originale se lisait comme suit:
The original text was as follows:
concur in the Declaration.

[50] Voir États-Unis, *Foreign Relations of the United States*. 1945, volume III, Washington, U.S. Government Printing Office, 1968, pp. 210-5.
See United States, *Foreign Relations of the United States*. 1945, Volume III, Washington, U.S. Government Printing Office, 1968, pp. 210-5.

we feel that this does not justify the exclusion of appropriate association of those countries which have actively participated in the defeat of Germany, and in particular a country such as Canada which will have an army fighting on German soil at the time of the German collapse.

3. We would suggest, therefore, that a distinction be made in the Preamble of the Declaration between those countries actively participating in the defeat of Germany and the other United Nations by changing paragraph 4 to read as follows:

"The representatives of the Supreme Commands of the United Kingdom, the United States of America, the Union of Soviet Socialist Republics and the French Republic herein called the Allied Representatives, acting by the authority of their respective Governments and *others of the United Nations which have actively participated in the defeat of Germany* and in the interests of *all* the United Nations accordingly make the following Declaration."

4. We would also suggest that those countries which have actively participated in the defeat of Germany, like Canada and other nations of the Commonwealth, the other European Allies and Brazil, should simultaneously issue statements to the effect that (a) they have been consulted and concur in the Allied Declaration; and (b) have authorized the "Allied Representatives" to act on their behalf in making the Declaration regarding the German defeat and assumption of supreme authority with regard to Germany by the Governments of the U.K., the U.S.A., the U.S.S.R. and the Provisional Government of the French Republic.

5. In any event, the Canadian Government proposes to indicate its association with the suggested unilateral Declaration by making a statement at the appropriate time to the effect that it has been consulted and concurs in the substance of the Declaration although not entirely satisfied with its form.

698. DEA/7-Es

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1211 London, April 30, 1945

TOP SECRET. Your telegram No. 1007 of April 28th† and your telegram No. 108 of April 28th to Dominions Office.

1. At European Advisory Commission meeting this afternoon, United Kingdom representative will again raise and press Canadian view on form of document. I am given to understand that he has little or no hope of securing Soviet or even United States consent in view of necessity our formula would raise of submitting terms to a dozen or so Allied Governments, even if Soviet and United States could be induced to accept it.

2. It is view here that there is no longer any authority in Germany capable of signing an instrument of surrender.

3. We are keeping in close touch with United Kingdom authorities concerning the form and timing of instrument or declaration, and have asked them to see that the Canadian Government receives whatever advance notice is possible.

MASSEY

699. DEA/7-Es

Le sous-secrétaire d'État par intérim aux Affaires extérieures à la délégation à la conférence des Nations Unis sur l'organisation internationale, San Francisco

Acting Under-Secretary of State for External Affairs to Delegation to the United Nations Conference on International Organization, San Francisco

TELEGRAM D-78 Ottawa, April 30, 1945

Following for Robertson from Read, Begins: Your telegram H. 37, April 27th. Immediately following telegram contains the draft of a statement regarding the association of the Canadian Government with the proposed unilateral declaration. You will note that no reference has been made that we have not agreed with the form of this declaration and have sought the inclusion of specific reference to other United Nations which actively participated in the defeat of Germany.

This has been fully discussed in the Department and we feel that there should be a distinction between the argument which has been conducted in official correspondence and the actual statement to be made by the Prime Minister. We feel that nothing would be gained by reference in that statement to the fact that difference of opinion existed between Governments as to the form of this declaration. Indeed, we feel that something might be lost by such inclusion since such a reference might be capable of misunderstanding in Canada.

A further study of the draft unilateral declaration makes it evident that the military terms arise out of the assumption of sovereign authority over Germany by the Great Powers. It is our understanding that we do not wish to make a statement which would indicate that we had agreed to or wished to be associated with the government of Germany by the Great Powers. For that reason we have laid stress on the military terms rather than association with the document as a whole.

I wish to make it clear that the above suggestions fully carry my own judgment. I should also like to suggest that consideration might be given to delaying the issue of this statement on German surrender for a day or two. I would appreciate an indication of the procedure which is to be followed in issuing this statement, whether it is to come from the Prime Minister or the

Acting Prime Minister or to be released as a press statement. Ends. Heeney has read and agrees.[51]

700. DEA/7-Es

Le sous-secrétaire d'État par intérim aux Affaires extérieures à la délégation à la conférence des Nations Unies sur l'organisation internationale, San Francisco

Acting Under-Secretary of State for External Affairs to Delegation to the United Nations Conference on International Organization, San Francisco

TELEGRAM D-79 Ottawa, April 30, 1945

Following for Robertson from Read, Begins: My immediately preceding telegram. Draft text of a statement by the Canadian Government Relating to the unilateral Allied Declaration on the defeat of Germany.

The defeat and unconditional surrender of Germany has been announced in a Declaration made today by the Representatives of the Supreme Commands of the United Kingdom, the United States of America, the Union of Soviet Socialist Republics and the French Republic, acting on the authority of their respective governments and in the interests of the United Nations.

This Declaration sets out the military terms with which Germany is required to comply. It states that supreme authority over Germany is assumed by virtue of this Declaration by the Governments of the United Kingdom, the United States of America, the Union of Soviet Socialist Republics and the Provisional Government of the French Republic.

The four Great Powers, the three which were responsible for the direction and co-ordination for [of?] Allied strategy against Germany, and also France have proclaimed the defeat of Germany and have undertaken to assume control and authority over all German territory in order to take whatever measures may be required to ensure that Germany will not again disturb the peace and security of the world.

The Canadian Government has been consulted on these military terms imposed on Germany and has expressed its agreement.

The struggle against Germany has been fought to a victorious conclusion by a partnership of many freedom loving peoples. This combined effort of nations large and small which has given us victory must now be consolidated so that the Peace we build will endure. Ends.

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[51] La dernière phrase fut ajoutée à la main.
The last sentence was added by hand.

701. DEA/7-Es

Le secrétaire d'État aux Affaires extérieures au secrétaire d'État par intérim aux Affaires extérieures

Secretary of State for External Affairs to Acting Secretary of State for External Affairs

TELEGRAM H-65 San Francisco, May 1, 1945

Following for Read from Robertson, Begins: Draft statement continued in your telegram D-79 is approved, subject to substitution of "together with" for "and also" before France in third sentence of paragraph 2. This sentence seems to us to take in rather more territory than is covered by the actual terms of the draft unilateral declaration itself. Unless United Kingdom and United States are issuing statements in terms substantially identical with that contained in your draft, I would suggest deletion of phrase beginning "in order to take whatever measures may be required, etc." and insertion of new sentence drawn from Article 12 of Instrument of Unconditional Surrender, viz., "in the exercise of such authority they will take such steps, including the complete disarmament and demilitarisation of Germany as they deem requisite for future peace and security."

We reluctantly agree to deletion from the public statement of reference to our dissatisfaction with the form of the declaration and fully agree that statement as revised should be issued in Ottawa by the Acting Prime Minister. I think it might well be issued as soon after the declaration itself is made public as is convenient. Ends.

702. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D.744 London, May 4, 1945

SECRET. Repeated to United Kingdom delegation, San Francisco, No. 94. My telegram Circular D. 14 January 17th†, Saving.

European Advisory Commission at a formal session on May 1st approved amendments proposed by French delegation to draft Instrument of Surrender for Germany (my despatch Circular D. 96 of August 9th, 1944)† and to agreement on control machinery for Germany (my despatch Circular D. 161 of November 25th, 1944).† Amendments are consequential on decision that four Governments should participate instead of three.

2. In subsequent informal discussion United Kingdom representative, with support of French representative, suggested that Commission should now decide to communicate text of Instrument of Surrender to European Allied Governments (paragraph 2 of my telegram Circular D. 1844 of December 22nd, 1944).† United States and Soviet representatives said that they could not express a final view on this question.

3. United Kingdom representative introduced United Kingdom draft of proposed declaration for use, if there is no Central German authority to sign Surrender Instrument (my despatch Circular D. 56 of April 10th).† He also put forward amendments regarding unconditional surrender (my telegram Circular D. 54 of April 16th, Saving)† and war criminals (my telegram Circular D. 60 of April 25th, Saving).† He further pressed that preamble should, as has been suggested by His Majesty's Government in Canada, be amended to read, Begins:

"Acting by authority of their respective Governments and others of the United Nations which have actively participated in the defeat of Germany and in the interests of all the United Nations." Ends.

Other members agreed, in principle, that Commission should prepare a draft declaration for contingency in question but were unwilling to express opinion at this meeting on amendment to preamble.

4. Questions of zones of occupation in Austria and control machinery for Austria were touched on but no progress was possible (see my telegram Circular D. 729 of May 2nd).†

703. DEA/7-Es

L'ambassadeur des États-Unis au sous-secrétaire d'État par intérim aux Affaires extérieures

Ambassador of United States to Acting Under-Secretary of State for External Affairs

PERSONAL AND CONFIDENTIAL Ottawa, May 7, 1945

Dear Mr. Read,

As you requested this morning, I am giving you below the substance of the letter from Washington I read to you regarding the surrender instrument:

"As you know, over the months Mike Pearson with Escott Reid following up has been endeavoring to secure a modification of the surrender instrument for Germany and related documents so that the military contribution of Canada to the victory might receive greater recognition. No doubt there has been considerable feeling in high government circles in Ottawa on that subject. I gather, further, that as the matter has developed, we have acquired most of the responsibility in Canadian eyes for what they still consider to be a highly unsatisfactory situation.

Aside from one exchange of letters with Jimmy Dunn[52], the Canadian conception of our position has, I believe, been gained almost entirely through the British representative on the EAC.

At this eleventh hour Strang has suddenly introduced into the EAC negotiations an amendment whereby all the Allies contributing militarily to the victory will authorize signature of the surrender proclamation by the four

[52]Il semble qu'il y a eu seulement une lettre. Voir les documents 690 et 692.
There seems to have been only one letter. See Documents 690 and 692.

member powers of EAC. It has been clearly evident that he is speaking on behalf of the Dominions and India.

I should doubt whether Strang had any definite hope of his amendment succeeding, but obviously it puts the British in an enviable position vis-à-vis the Dominions and is likely to put us in an unenviable position especially as the French went along and the Russians simply referred the amendment to Moscow.

In response to Strang's amendment we have told Ambassador Winant that (1) we approve letting the Canadians and the others contributing military forces see the text of the surrender instrument and the proclamation based upon it, (2) we agree to invite their adherence, and (3) we would not object to more specific acknowledgement in the proclamation of the other powers contributing military force to the defeat of Germany.

We have, however, a very practical objection to amending the text so that the four powers on EAC would be acting with the authority of the other powers. Such a position would imply that in all future decisions we would have to have the concurrence of the other powers. The task of military government shared by four powers is complex and difficult enough without adding a requirement for the concurrence of four or five additional powers. It seems to us that any reasonable person would agree that an already difficult and thorny task would be made well nigh impossible and we should doubt whether many who realize the difficulties and who do not have to be involved would really wish to be except for prestige reasons."

I was directed to emphasize the three numbered points above as a mark of our appreciation of the Canadian position, and of our desire to give to Canada the recognition to which she is rightly entitled.

Sincerely yours,

RAY ATHERTON

704. DEA/7-Es

Le secrétaire d'État par intérim aux Affaires extérieures à la délégation à la conférence des Nations Unies sur l'organisation internationale, San Francisco

Acting Secretary of State for External Affairs to Delegation to the United Nations Conference on International Organization, San Francisco

TELEGRAM D. 139 Ottawa, May 7, 1945

Following from Read to N.A. Robertson, Begins: You are familiar with pressure from Pearson and Reid on State Department to secure modification of surrender instrument and with general position taken by External, as well as

recent approach[53] in respect of unilateral declaration resulting in eleventh hour attempt by Strang to obtain modification of drafting.

President Truman upon learning of this position was greatly disturbed and specially requested American Ambassador to explain American position as follows:

"In response to Strang's amendment we have told Ambassador Winant that (1) we approve letting the Canadians and the others contributing military forces see the text of the surrender instrument and the proclamation based upon it, (2) we agree to invite their adherence, and (3) we would not object to more specific acknowledgment in the proclamation of the other powers contributing military force to the defeat of Germany.

We have, however, a very practical objection to amending the text so that the four powers on EAC would be acting with the authority of the other powers. Such a position would imply that in all future decisions we would have to have the concurrence of the other powers. The task of military government shared by four powers is complex and difficult enough without adding a requirement for the concurrence of four or five additional powers. It seems to us that any reasonable person would agree that an already difficult and thorny task would be made well nigh impossible and we should doubt whether many who realize the difficulties and who do not have to be involved would really wish to be except for prestige reasons."

Atherton was specially directed by the President to emphasize the three numbered points above as a mark of United States appreciation and desire to give Canada the recognition to which Canada is rightly entitled.

President Truman's urgency to get the message which was sent to Mr. King both by telephone and telegram this morning was also due in part to his desire that Mr. King would get the message before the President went on the radio (the expected hour being then twelve noon).[54] He wants Mr. King to understand that the American attitude in these matters was not in any sense related to any lack of appreciation of the Canadian part in the war.

(Personal comment) I rather suspect that President Truman is most anxious to maintain the same sort of close relationship as his predecessor.

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[53]Voir les documents 699 et 700.
See Documents 699 and 700.

[54]Voir États-Unis, *Department of State Bulletin*, vol. 12, 13 mai 1945, pp. 885-6.
See United States, *Department of State Bulletin*, Vol. 12, May 13, 1945, pp. 885-6.

705. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État par intérim aux Affaires extérieures

Dominions Secretary to Acting Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 180 London, May 11, 1945

SECRET. Repeated United Kingdom delegation, San Francisco, No. 158. My telegram of May 4th, Circular D. 744, paragraph 3.

Proposed declaration of unconditional surrender of Germany has been further discussed in a series of informal meetings of members of European Advisory Commission.

2. United States and French representatives have accepted a United Kingdom proposal to refer in first paragraph of preamble to unconditional surrender of Germany as well as unconditional surrender of German armed forces. Soviet representative awaits instructions on this point.

3. Article on war criminals proposed by United Kingdom representative has been adopted.

4. With regard to proposed reference in preamble to United Nations which have actively participated in defeat of Germany, United States representative proposed that reference should be to concurrence of such United Nations and not to their authority, on the ground that, whilst such Governments might readily concur in text, they would hesitate to give their full authority to the Allied representatives to act on their behalf. United Kingdom and French representatives were prepared to accept United States amendment on the understanding that concurrence of Governments concerned in eventual text would, in fact, be obtained. Soviet representative at first pressed for word "authority" instead of "concurrence". When United States attitude was explained, he suggested that, if proposed reference in text to actively participating United Nations caused difficulties, it would be best to omit it. Later he expressed willingness to agree to either maintenance or omission of phrase (including "concurrence") as other members of Commission might prefer.

5. United Kingdom representative then proposed that United Nations Governments, who had actively participated in defeat of Germany and should receive text of declaration before signature, should be those European Allied Governments who had already received summary of Instrument of Surrender (my telegram of December 23rd, 1944, Circular D. 1844),[†] together with Canada, Australia, New Zealand, South Africa, India and Brazil. Even if preamble were not amended, as had been suggested, E.A.C. could recommend that text of declaration should be communicated before signature to these Governments and that, if time permitted, their concurrence should be obtained. United States and French representatives agreed to list of Governments proposed by United Kingdom representative. Soviet representative, however,

pressed that Lublin Government[55] should be included. All three other members of E.A.C. opposed this. In circumstances, conclusion was reached that neither original amendment proposed by United Kingdom representative referring to United Nations Governments which have actively participated in defeat of Germany nor United States variant should be adopted.

6. United States representative suggested that as an alternative each of the four Governments should be free to communicate draft declaration to such other Governments as it might wish. United Kingdom and French representatives supported this suggestion, but Soviet representative resisted it. Question of communication of draft text to other United Nations Governments is, therefore, at present unresolved.

706. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État par intérim aux Affaires extérieures

Dominions Secretary to Acting Secretary of State for External Affairs

TELEGRAM 103 London, May 11, 1945

SECRET. My telegram May 4th, No. 92.† Draft declaration on German surrender. Further developments in European Advisory Commission are described in my telegram of today, Circular D. 810. You will see that, owing to Soviet representative's insistence on inclusion of Lublin Government among Allied Governments in question, it unfortunately proved impossible to secure adoption of amendment on the lines desired by His Majesty's Government in Canada.

707. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État par intérim aux Affaires extérieures

Dominions Secretary to Acting Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 891 London, May 23, 1945

SECRET. Repeated United Kingdom delegation, San Francisco, No. 245. My telegram of 14th May, Circular D. 827.† Declaration of Surrender of Germany.

Soviet representative on E.A.C. has reverted to question of communication of draft to other United Nations and has suggested following procedure, viz., that;

[55] Le gouvernement provisoire de la Pologne reconnu par l'Union soviétique le 27 décembre 1944. The provisional government of Poland recognized by the Soviet Union on December 27, 1944.

(1) E.A.C. should communicate text to those European Allied Governments who received summary of proposed Instrument of Surrender, i.e., European Allies but not, repeat not, Poland (my telegram of 23rd December, 1944, Circular D. 1844)† and that it should be left to the four Governments to communicate text to other Governments; thus,

(2) His Majesty's Government in United Kingdom might communicate it to Canada, Australia, New Zealand, South Africa and India.

(3) United States Government to Brazil.

(4) Soviet Government to Lublin Polish Government.

2. Commission agreed to proposal at (1). United Kingdom and United States representatives stated that their Governments would proceed as at (2) and (3) respectively. Soviet representative did not expressly confirm that Soviet Government would give text to Lublin Poles and Commission thus have no, repeat no, formal cognizance of this intention and have not, repeat not, formally assented to it.

3. Full English text sent in my despatch of 21st May, Circular D. 84.† Pending receipt please see my telegram of 14th May, Circular D. 828.†

708. DEA/7-Es

Le secrétaire aux Dominions au secrétaire d'État par intérim aux Affaires extérieures

Dominions Secretary to Acting Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 985 London, June 4, 1945

IMMEDIATE. SECRET. My telegram of 25th May, Circular D. 908.†

Declaration of Surrender of Germany is to be signed in Berlin by four Commanders-in-Chief, Tuesday, 5th June. Text is to be published here 15:00 hours G.M.T. same day.[56]

2. United Kingdom representative on European Advisory Commission proposed in Commission that summaries of agreement on zones of occupation and on control machinery (my telegram of 2nd June, Circular D. 972)† and public statement by the four Governments on consultation with the Governments of other United Nations (my telegram of 11th May, Circular D. 804)[57] should be published at same time. United States and French representatives agreed. Soviet representative is referring to his Government for instructions. We are asking His Majesty's United Kingdom Ambassador, Moscow, to press Soviet Government on the point.

3. For texts of proposed statements on occupation and control see separate following telegram.†

[56]Voir Canada, *Recueil des traités*, 1945, N° 16.
See Canada, *Treaty Series*, 1945, No. 16.

[57]Voir le document 732.
See Document 732.

4. Draft public statement on consultation runs as follows, Begins:

By the Declaration regarding the defeat of Germany issued at Berlin on 5th June, 1945, the Governments of the United Kingdom, the United States of America and the Union of Soviet Socialist Republics and the Provisional Government of the French Republic have assumed supreme authority with respect to Germany. The Governments of the four Powers hereby announce that it is their intention to consult with the Governments of other United Nations in connection with the exercise of this authority.[58] Ends.

SECTION B

OCCUPATION ET CONTRÔLE
OCCUPATION AND CONTROL

709. DEA/7-ABs

Mémorandum du Comité consultatif sur les problèmes de l'après-guerre au Comité de guerre du Cabinet

Memorandum from Advisory Committee on Post-Hostilities Problems to Cabinet War Committee

MOST SECRET. Ottawa, February 11, 1944

RE: THE DISPOSITION OF CANADIAN MILITARY FORCES AFTER THE CONCLUSION OF HOSTILITIES WITH GERMANY

1. A memorandum on post-hostilities problems was submitted to the Cabinet War Committee on November 24th,[59] describing certain problems which Canada would face in the period immediately after the conclusion of hostitilites in Europe. At that meeting the establishment of an Advisory Committee and a Working Committee on Post-Hostilities Problems was approved.[60] These Committees have continued their study of the Allied machinery now taking shape and the plans being prepared in the United Kingdom for the Post-Hostilities period.

2. The plan described in the memorandum of November 24th for the occupation of Germany in three zones, one by United States, one by Soviet, and one by United Kingdom forces, has been approved by the United Kingdom Chiefs of Staff and the Ministerial Committee on Armistice Terms and Civil Administration. It will now be used by the United Kingdom representative on

[58]Pour le texte final de la déclaration voir Canada, *Recueil des traités*, 1945, N° 16. Le Premier ministre a fait une déclaration au nom du Canada le 6 juin. Voir la *Gazette* de Montréal du 7 juin 1945.
For the final text of the declaration see Canada, *Treaty Series*, 1945, No. 16. The Prime Minister made a statement on behalf of Canada on June 6. See *The Gazette* of Montreal of June 7, 1945.

[59]Voir le volume 9, document 530.
See Volume 9, Document 530.

[60]Voir le volume 9, document 531.
See Volume 9, Document 531.

the European Advisory Commission (the three-power body set up in London by the Moscow Conference to study Allied policy toward the enemy) as a brief for his guidance in presenting proposals on the matter to the Commission.

3. In the same way proposals for the setting up of a High Commission for Germany have been approved by the United Kingdom Government for consideration by the European Advisory Commission. The proposed High Commission would be subordinate to a Central United Nations organization for all Europe. It would, during the period of military control, be an advisory body to the Commanders-in-Chief on economic and political matters. When military control had been ended, it would become the supreme Allied authority in Germany to direct the armies of occupation, the Control Commission (which will be charged with seeing that the terms of surrender are carried out), agencies dealing with relief, repatriation, etc., and possibly the German central civil administration. According to present plans the High Commission would be composed of representatives of the three Great Powers only.

4. These proposals have been officially forwarded by the Dominions Office to the Canadian Government. The Canadian Government is concerned with the establishment of effective arrangements for post-hostilities control in Europe and in representation on Inter-Allied bodies wherever this may be necessary to serve Canadian interests. It may be considered advisable to claim representation in the control and direction of occupation as a condition of the provision of Canadian forces. If this claim is to be made, it would be better to make it at the time when the plans are being formulated. What is done to organize the control of Germany on an inter-Allied basis is not unlikely to influence the pattern followed in other international bodies. It is to be noted that the Australian and New Zealand Governments, in their recent agreement[61], declared that their interests should be protected by participation in any armistice commission and by representation at the highest level on all armistice planning and executive bodies.

5. The plans for the occupation of Germany now before the European Advisory Commission envisage four stages of occupation. During the first stage Allied forces will be available in strength. During the second stage, when disarmament gets under way, occupation forces as such will have to be provided. This step should mean a substantial reduction in numbers. It is estimated in these plans, which have the sanction of the United Kingdom Government and the Chiefs of Staff, that the following forces will be needed for the British Commonwealth zone during this period: approximately 12 army

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[61] Voir Grande-Bretagne, *British and Foreign State Papers*, volume 145, Londres, H. M. Stationery Office, 1953, pp. 530-9.
See Great Britain, *British and Foreign State Papers*, Volume 145, London, H. M. Stationery Office, 1953, pp. 530-9.

divisions, 28 air squadrons,[62] a naval squadron and some shore-based naval personnel. It is estimated that the first two stages may together last two years. The principal problem is to decide whether Canadians can be provided for Stage II. [63]

6. The end of hostilities will presumably find a large number of Canadian air, ground and naval forces in Germany, on the continent of Europe, or in contiguous waters. In view of the continuing shipping problems created by the war against Japan and the need for supplies in Europe, and in the light of the transportation problems encountered after the last war, it may be assumed that all the Canadian air and ground forces could not in any case be repatriated to Canada in less than six months to a year after the cessation of active hostilities. Even if transportation were available, it would be difficult to withdraw promptly all Canadian forces immediately after the "cease fire," as the general forward movement of troops will continue to all parts of Germany to complete the general occupation required in stage one. Moreover, the rate of Canadian withdrawals must, to some extent, be co-ordinated with the withdrawal of United Kingdom and United States forces.

7. It is possible that there will be a considerable overlap between the ending of the operational period (Stage I) and the start of occupation by troops specially selected for occupation duties. Conditions in the occupied zone may make possible the reduction of forces to the garrisons called for in Stage II even before ocean transport can be released for return of all Canadians apart from those selected for occupation duty. Canada might, therefore, be able to provide a larger garrison in the early period of Stage II than would be possible or desirable during, say, the second year. For planning purposes, however, it is considered that the Canadian contribution should be assessed on the basis of the detachment that should be provided for the whole period.

8. The question of the extent to which Canadian forces participate in the occupation of Europe is clearly interconnected with the extent to which Canadian forces participate in the war against Japan. Mr. Churchill in the United Kingdom and Mr. Stimson in the United States have indicated that the demobilization of some of their forces might be expected at the conclusion of the European phase of the war because of the impossibility of engaging them all against Japan. A similar demobilization of some Canadian forces might be expected.

9. Another factor to be taken into consideration is the desirability of co-ordinating plans for post-hostilities military service with plans for demobilization and rehabilitation. In order to make plans, the authorities charged with

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[62] La note suivante était dans l'original:
The following footnote was in the original:
This figure is much smaller than the figure of 128 squadrons given by the Right Hon. Harold Balfour in the discussions now in progress in Ottawa[63] as the number required for "policing" at the end of the war against Germany. The paper containing it, however, has the sanction of the United Kingdom Government and the Chiefs of Staff.

[63] Sur ces discussions, voir les documents 295 et 296.
On these discussions, see Documents 295 and 296.

rehabilitating discharged soldiers must be informed of the probable disposition of forces after hostilities.

10. With these various factors taken into consideration, it is estimated that, of the forces for the British Commonwealth zone mentioned in para. 5 for Stage II, Canada might contribute the following:

Army:—1 Brigade Group—including

3 Battalions Infantry
1 Field Regiment Artillery
1 Field Company Engineers
1 Armoured Car Regiment, etc.
(Approximately 5,000 all ranks, in all)

Air Force:—7 Squadrons.[64]

(Plus headquarters and maintenance units, roughly 5,000 men, in all)

Navy:—

It is not recommended that Canadian naval participation be on other than a purely token basis.

11. It will be noted also that such a Canadian contribution to the forces required for the British Commonwealth zone would be less than might be assumed on a strict pro rata basis. In assessing the equitable proportion which Canada should contribute, the following factors should be taken into consideration. It is anticipated that Canada will be called upon to bear very considerable non-military commitments for the relief and rehabilitation of Europe. Because of the distance from Canada, Canadian forces would be faced with more difficult problems of administration and maintenance than those from the United Kingdom. These problems include the maintenance of morale, as Canadian troops in Germany could not take regular leaves at home as could the United Kingdom troops.

12. In order to provide troops with the proper intelligence, discipline, and enthusiasm for the difficult duties of occupation, it would be decidedly preferable to secure volunteers, if possible men who wished to embark on careers in the services.

13. The determination of Canadian policy towards the occupation of Germany is related to plans for the post-war permanent establishment of the armed services. The Sub-Committee on Demobilization of the General Advisory Committee on Demobilization and Rehabilitation has recommended—"That steps be taken to determine, before demobilization, the approximate post-war strength of the armed services so that the opportunities for continuing in service may be known to all suitable personnel before demobilization." Plans for providing forces of occupation must be related to plans for permanent post-war establishments, especially in view of the fact that

[64]La note suivante était dans l'original:
The following footnote was in the original:
See footnote to Para[graph] 5.

it would be advisable if not essential, to secure volunteers for occupation duty. The question of post-hostilities activities and post-war establishments is also closely related to the problems now arising concerning the disposition of military assets.

14. It is, of course, difficult to make detailed plans for the disposition of Canadian armed forces after the end of hostilities without giving some thought to general plans for international security. The United Kingdom Government has indicated its intention of proposing discussions with the United States, the Soviet Union, and the other Commonwealth Governments on the ways and means of inaugurating a system of general security as contemplated in para. 4 of the Moscow Declaration.[65] Draft proposals for the organization of security have been drawn up in the United Kingdom by the Post-Hostilities Planning Sub-Committee for consideration by the Chiefs of Staff (U.K.). The recent Agreement between Australia and New Zealand of January 21st indicates that these two countries have come to broad conclusions with regard to the organization of the South West and South Pacific and are planning to study and to initiate discussions on the broader aspects of Pacific and general world security. It is probable, therefore, that the Canadian Government will find it desirable before long to express its views on the military organization of world security. It has, indeed, been indicated that this subject will be one of the principal topics on the agenda of the meeting of Commonwealth Prime Ministers.

710. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, March 1, 1944

...

POST-HOSTILITIES PROBLEMS; REPORT OF ADVISORY COMMITTEE

22. THE SECRETARY, referring to the discussion at the meeting of November 24th, 1943,[66] submitted a report from the Advisory Committee on Post-hostilities Problems, regarding the disposition of Canadian forces after the conclusion of hostilities with Germany. Copies of the report had been circulated.

The U.K. Chiefs of Staff had approved tentative plans for the occupation of Germany by U.S., Soviet and Commonwealth forces in three zones, and for the establishment of a High Commission for Germany, which would be subordinate to a central United Nations organization for Europe, and which, when

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[65] Voir le volume 9, documents 247 et 248.
See Volume 9, Documents 247 and 248.

[66] Voir le volume 9, document 531.
See Volume 9, Document 531.

military control had been ended, would become the supreme Allied authority in Germany.

These proposals, which had been forwarded officially to the Canadian government, involved questions of the extent and nature of Canadian participation in the proposed occupation of Germany and in the proposed control organization. Plans for occupation envisaged four stages. During the first stage, Canadian troops would still be available in considerable numbers. During the second stage, troops would have to be provided and it had been estimated that the British zone of occupation would require twelve army divisions, twenty-eight air squadrons, a naval squadron, and some shore-based naval personnel.

The extent of Canadian participation would depend upon the nature of the war against Japan and the progress of demobilization plans. In the light of all factors involved it appeared to the Advisory Committee that Canada might contribute: from the Army, a brigade group (approximately 5,000 all ranks); from the Air Force, seven squadrons (totalling some 5,000 men in all); Naval participation on a purely token basis.

The Advisory Committee felt that determination of Canadian policy in respect of the occupation of Germany and demobilization was closely related to plans for the postwar permanent establishments of the Canadian Armed Services. These plans, in turn, were dependent upon general plans for an international security organization which might develop in accordance with the terms of the Moscow Declaration. In this connection, it might be desirable for the government, at an appropriate opportunity, to express their views on the military organization of world security.

(Report of Advisory Committee on Post-hostilities Problems, Feb. 11, 1944—C.W.C. document 715).

23. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted and read a departmental memorandum with regard to planning for the international postwar settlement.

Considerable progress had been made in international civil aviation and international economic policy. In other related fields, however, particularly the development of an international security organization, little or no progress had been made. Implementation of plans already agreed upon, on specific subjects, would, in many instances, depend upon the development of appropriate policies relating to security and defence, and covering the role of the Great Powers, the postwar commitments of Canada, questions of Commonwealth relations and similar important matters.

It was recommended that the Advisory Committee initiate a programme of special studies on these and related topics.

(External Affairs memorandum, Feb. 23, 1944).

24. THE WAR COMMITTEE, after discussion, noted with approval the progress reported by the Advisory Committee and the plans for further study reported by the Under-Secretary.

...

711. W.L.M.K./Vol. 368

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, June 2, 1944

General Stuart has been asked whether some Canadian officers would be available for an inter-Service planning staff which is to be set up to develop plans and preparations for the British portion of the military sections of the control machinery in Germany after the surrender of Germany.

I think this approach is a move in the right direction, which could be treated entirely as a military matter, with the assurance that appointing a number of officers to this staff would not run counter to Government policy.[67]

N. A. R[OBERTSON]

712. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, June 14, 1944

...

CANADIAN PARTICIPATION IN EUROPEAN FORCES OF OCCUPATION

5. THE SECRETARY, referring to the discussion at the meeting of May 24th,[68] submitted a report of the Working Committee on Post-Hostilities Problems.

The report drew attention to the memorandum submitted to the War Committee on February 11th, by the Advisory Committee on Post-Hostilities Problems, which had suggested tentatively that Canada might contribute, as follows, to the forces of occupation:

Army—1 Brigade Group (approximately 5,000 all ranks).

Air Force—7 Squadrons (some 5,000 men, in all),

Navy—purely token basis.

No changes had been made in these estimates by the Advisory Committee since the date of the memorandum referred to, nor had there been indication of

[67] Les notes suivantes étaient écrites sur ce mémorandum:
The following notes were written on the memorandum:
Approved. W. L. M[ACKENZIE] K[ING] 5-6-44.
Noted.

[68] Voir le document 382.
See Document 382.

any substantial change in the estimate made by U.K. authorities of the forces likely to be required for occupation.

(Secretary's memorandum—C.W.C. document 801).†

6. THE MINISTER OF NATIONAL DEFENCE FOR AIR pointed out, with respect to the Air Force contribution, that in a recent communication from the U.K. Secretary of State for Air, it had been suggested that the number of R.C.A.F. squadrons should be increased, from Canadian "nominated" squadrons, to a total of fifty-eight. Of these it was proposed that eleven would be employed in Europe and lines of communication.

(Telegram, Dominions Office to U.K. High Commissioner, May 19, 1944, and attached memorandum).[69]

7. THE MINISTER OF NATIONAL DEFENCE questioned the basis of the suggested army contribution. It seemed small in relation to that of the Air Force and of other Allied forces. Before any decision were taken on this point he wished to consider the matter with General Stuart and the Chief of the General Staff.

8. THE WAR COMMITTEE, after further discussion, noted the report submitted and agreed to defer any decision pending further consideration of the Army's contribution by the Minister of National Defence.[70]

...

713. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet[71]

Extract from Minutes of Cabinet War Committee[71]

SECRET Quebec, September 14, 1944

...

OCCUPATION AND CONTROL OF GERMANY

14. THE PRIME MINISTER said that the government were prepared to have Canadian forces take an appropriate part in the occupation and enquired as to plans for the occupation and the method by which countries supplying occupational forces would be associated with arrangements for control of Germany.

15. THE U.K. PRIME MINISTER replied that by the employment of mobile ground and air forces it was hoped to limit the numbers required for the maintenance of control. It was also intended to rely upon the Germans

[69] Non trouvé.
Not located.

[70] Voir les documents 387 et 390.
See Documents 387 and 390.

[71] Cette réunion a eu lieu pendant la Conférence de Québec.
This meeting took place during the Quebec Conference.

themselves for the performance of administrative functions under the immediate control of the Allied occupational forces.[72]

...

714. DEA/7-CA-2

Mémorandum du président, Comité de travail sur les problèmes de l'après-guerre, au président, le Comité consultatif sur les problèmes de l'après-guerre

Memorandum from Chairman, Working Committee on Post-Hostilities Problems, to Chairman, Advisory Committee on Post-Hostilities Problems

SECRET Ottawa, October 21, 1944

Attached is a copy of a paper entitled "Control Machinery for Europe: Canadian Participation" (C.P.H.P. (44) Report 6 Final, October 19th) which was approved by the Working Committee on Post-Hostilities Problems at its meeting on October 19th for submission to the Advisory Committee.

This paper contains an outline of the information which has been received to date on proposals put before the European Advisory Commission regarding control machinery for Germany, and puts forward some of the principal considerations to be taken into account in relation to Canadian participation. Recommendations are now submitted for approval by the Advisory Committee as a basis for dealing both with the question of Canadian association with the direction of control, and with the various specific requests for Canadian personnel for inclusion in the Control Commissions which have been received from the United Kingdom Government.

Copies of this paper for distribution to members of the Advisory Committee have been passed to Commander MacTavish.[73]

H. H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du Comité de travail sur les problèmes de l'après-guerre

Memorandum by Working Committee on Post-Hostilities Problems

SECRET Ottawa, October 19, 1944

C.P.H.P. (44) REPORT 6 (FINAL)

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[72] Voir aussi les documents 403, 404, 406 et 408.
See also Documents 403, 404, 406 and 408.

[73] Secrétaire, le Comité consultatif sur les problèmes de l'après-guerre.
Secretary, Advisory Committee on Post-Hostilities Problems.

CONTROL MACHINERY FOR EUROPE - CANADIAN PARTICIPATION

I. GERMANY

(A) *Proposals for Control Machinery*

1. The European Advisory Commission has not yet made a recommendation on the control machinery to be set up in Germany. Draft plans however have been prepared by the United Kingdom, the United States and the Soviet Governments[74] which are at present under consideration in the Commission.

2. The United Kingdom plans are much more detailed than the others. They provide for three successive stages—(I) the period of active hostilities; (II) the period of military government immediately after surrender; and (III) the period of effective allied control. The United States proposals seem to be confined entirely to the period of military government with no mention of a succeeding stage of civilian control. The Soviet memorandum mentions the need to consider a later stage but confines its proposals to the military period (Stage II). The question of Canadian participation in the machinery to be set up must be considered in relation to the changing situations of the three States.

3. As regards Stage I, the period of active hostilities on German soil, which has already commenced, the machinery of military government is in the hands of SCAEF. During this period it will be necessary for the Allied and Soviet Commanders-in-Chief to be the supreme authorities in the areas under their operational control. Arrangements for Canadian participation have already been worked out through normal military channels.

4. As regards Stage II, (i.e., the period following the surrender of Germany), in the light of discussions which have taken place in the European Advisory Commission, the U.K. representative has communicated to the Commission a Revised Draft Agreement on Control Machinery, dated October 3rd, 1944, a copy of which is annexed.[†] This Draft Agreement, for signature on behalf of the United Kingdom, U.S.A. and U.S.S.R., envisages the setting up of a supreme organ of control over Germany to be called the Control Council and to consist of three Commanders-in-Chief. It is based on an earlier draft submitted by the Soviet government, nearly all of which is incorporated in it together with a number of new clauses. As it is apparently intended that in the control of Germany maximum use should be made of German administrative machinery, the Control Council would be divided into sections which would correspond to the structure of the German administration. Thus the Divisions of the control machinery would correspond for the purposes of disarmament to the German military, naval and air authorities. Likewise there would be economic, political, finance, transportation, internal and manpower Divisions to deal with the activities of the equivalent German civil authorities. The staffs of these Divisions would consist of civilian as well as military personnel, and

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[74]Voir États-Unis, *Foreign Relations of the United States*. 1944, volume I, Washington, U.S. Government Printing Office, 1966, pp. 155-9, 185-8, 299-301.
See United States, *Foreign Relations of the United States*. 1944, Volume I, Washington, U.S. Government Printing Office, 1966, pp. 155-9, 185-8, 299-301.

would include nationals of the United Nations other than the Great Powers "appointed in their personal capacity."

5. It has been contemplated in British plans that as soon as conditions warrant a civil authority referred to as a High Commission for Germany should take over from the Military Government as the supreme allied controlling body in Germany. This would begin Stage III, i.e., the later period of effective allied control. According to the Draft Agreement, however, the question of "the Allied organs required for carrying out the functions of control and administration of Germany" in the third stage would be the subject of a separate agreement between the three Powers.

(B) *Association of other Governments with Control Machinery*

6. *Participation in the General Direction of the Control Machinery for Germany*

The original British proposal was that the European Allies and Commonwealth Governments contributing occupation forces should form an Advisory Council to the Control Commission. This has been dropped in view of objections by the Soviet and United States representatives on the European Advisory Commission. It is evident that it is the intention of the three governments to insist on a three-power pattern for the direction of the work of control. Even in the Divisions of the control machinery, corresponding to the departments of government, the Draft Agreement proposes that "at the head of each Division there will be three high-ranking officials, one from each Power." The plan for associating other governments now under consideration in the European Advisory Commission envisages that "the necessary consultation with the governments of the other United Nations chiefly interested will be ensured by the appointment by such Governments of military missions (which may include civilian members) to the Control Council having access, through the appropriate channels, to the organs of control." It is doubtful whether an Advisory Council as originally proposed would have been effective in securing a real participation in the direction of German control machinery. The right to appoint a mission to the Control Council would also not give the governments so represented any responsibility for general policy towards Germany. It should however provide a useful means of access to the supreme Allied authority in Germany which would serve to protect the national interests of the countries concerned.

7. *Participation of Canadian Personnel in Military and Civil Divisions of the Control Commissions*

i. *Demilitarization Duties*—Through military channels a request has been made for a large number of Canadian staff officers to be used inside the British zone in the disarmament of Germany. It is expected that about five thousand officers would be necessary for the British zone alone and that their duties would last for one year. These officers would form part of the staffs set up in the districts into which the British zone will be divided, charged with the duty of seeing to the disbandment of the German forces, the collection of arms and destruction of fortifications and armament plants within each district. It has

been suggested that Canada might provide a share of these officers proportionate to the Canadian contribution to the occupation troops in the British zone, a number which probably would amount to between three and four hundred officers.

ii. *Civil Divisions*—The United Kingdom authorities also suggested last month that Canada and the other Dominions might provide personnel, both civil and military, suitable for employment as part of the British element of the Control Commissions in Germany and Austria. A detailed list headed "Appointments offered to Dominions personnel" has just been received from London. This divides the appointments into Category A, persons "with special functional qualifications" for senior posts in Berlin and Vienna; Category B, "staff officers with administrative experience" apparently to serve in somewhat lower posts at the two capitals; and Category C, less highly qualified functional personnel for service in provincial military government. The numbers sought in each category from the Dominions are as follows:

	Germany	Austria	Total
Category A (legal, financial, accounting, medical, educational, labour, and other experts, in most cases with experience in the public service)	35	22	57
Category B	8	6	14
Category C (largely for food control, public safety, legal, medical and educational duties)	326	0	326
	369	28	397

In addition, a request has been made for assistance in finding some of the 2700 German-speaking and 250 Russian-speaking interpreters (either military or civil) who will be needed in the British element of the Control Commissions in Germany and Austria.

8. It seems that the Australian, New Zealand and South African authorities have already agreed in principle to the inclusion of personnel in the Civil Divisions of the Control Commission, and have asked for more information, to which request this detailed list of appointments offered is a reply. It is evident that the personnel recruited from the British Dominions would be included in the "British Element" of the Control Commissions with duties of a functional or administrative nature. The selection would be on individual qualifications and final choice would rest with the Control Commissions. No mention is made in the detailed list given to Dominion governments of the provision of staff for the Political Division which would be responsible, among other things, for the direction of the foreign affairs of Germany and the liquidation of the Nazi organization.

C. *Canadian participation in the Control Machinery*

9. The question of providing Canadian staff officers for duty in the disbandment of German forces and in the disarmament of Germany (paragraph 7 (i) above) is a matter mainly for decision by the appropriate military authorities. Suffice it to say that such participation, taken in conjunction with the contribution of Canada to the occupation forces, may be regarded as a residual obligation in carrying the Canadian war effort against Germany to completion, by participation in the effective liquidation of the Germany military machine.

10. The question of Canadian participation in the higher direction of the central control machinery and in its various civil functions, however, has to be considered in relation to the balance of Canadian interests involved. It is useful, therefore, to seek to list the main Canadian interests in Germany (and in other enemy countries) during the period of Allied control as follows:

1. The pacification of Europe in relation to which the German settlement is central - this is the paramount Canadian interest which is shared with all the other Allied countries.

2. The recognition and assertion of the Canadian right to participate in the formulation and execution of Allied policy towards the defeated enemy.

3. Direct access to information on conditions inside Germany and other enemy countries as a basis for formulating Canadian policy.

4. An appropriate voice in deciding the employment and location of Canadian occupation forces.

5. The protection and repatriation of Canadian prisoners of war and civilians.

6. The furtherance of Canadian economic interests including such matters as the development of Canadian trade and the protection of property of Canadian nationals.

7. The furtherance of other direct Canadian interests in the application of the peace settlement such as the punishment of war crimes committed against Canadians, the settlement of claims for losses inflicted by the enemy on Canadians, and so on.

While the plans of the three great powers are not yet finally formulated their discussions have gone far enough to make it clear that in the main these and other Canadian interests will have to be served mainly by indirect methods, since the three powers will maintain in their own hands the formulation and execution of policy.

11. *Considerations to be taken into account.*

(a) The central control machinery for Germany will, in fact, become the Government of Germany. If Canadian forces participate in the occupation of Germany and Canadian personnel are allocated to staff duties in this connection, it will be difficult to draw a line between participation in respect of the civil as distinct from the military aspects of this Government, especially as military personnel of all ranks will often be employed on what would usually be regarded as civilian duties.

(b) The primary object of this control machinery is so to direct German affairs through the period of Allied occupation and control that Germany will be unlikely to make war again in the predictable future. This objective accords with the Canadian primary interest of security. Undoubtedly there are a number of Canadians with suitable qualifications who would have a contribution to make to the control of Germany to this end and who could thus serve a principal interest of Canada.

(c) While the protection and advancement of Canadian interests would be the normal function of a Canadian mission in Berlin, this would be facilitated by the inclusion of Canadian personnel in the control machinery. Allied plans and policies will to a large extent emerge from the day-to-day functions of the Control Commissions and although Canadian personnel included in the various Divisions would not be responsible to the Canadian Government, individually they could assist a Canadian mission in Berlin through personal liaison. This would apply, in particular, to the inclusion of a Canadian as a senior officer of the Political Division dealing with German foreign affairs.

(d) It is of consequence to note that the Australian, New Zealand and South African authorities have agreed in principle to the inclusion of personnel from their countries in the staffs of the Control Commissions.

On the other hand:

(e) The proposal of merging Canadian personnel into the "British element" of the Control Commissions would not give the Canadian Government any direct voice in, or responsibility for, the control of Germany. They would, in fact, become part of a British staff which would be under the direction of the United Kingdom Government. This would be less important if the staffs of the Control Commissions were to be recruited so as to include personnel from all the United Nations chosen on the basis of personal qualifications.

(f) It is evident that the direction of the control machinery will be on a three-power basis, with no advisory body or sharing of responsibility with other United Nations. As yet no suggestion appears even for French participation, although this obvious omission may be temporary.

(g) It is open to question whether, in the light of the foregoing, it would be possible to select Canadians of high qualifications, especially from the Civil Service, for the senior appointments suggested. In any case, under the plan final selection would not be in the hands of the Canadian authorities but under the direction of the British Government and the Control Commissions.

II. CONTROL MACHINERY IN OTHER ENEMY STATES

12. The United Kingdom has made proposals for control machinery in other enemy states. It is not known whether proposals have yet been placed before the European Advisory Commission by the United States or Soviet Governments.

13. The United Kingdom has proposed for Austria tripartite control machinery in three stages similar to that proposed for Germany. It is hoped, of course, that the restoration of self-government in Austria will come more

speedily than in Germany. For Bulgaria, Hungary and Roumania the United Kingdom suggests somewhat simpler machinery consisting of a tripartite Allied Mission in Sofia, Budapest and Bucharest with a tripartite disarmament commission attached. The control machinery in Italy, recently rechristened the Allied Commission with the word "Control" dropped, may continue to exist for some time, with a gradual elimination of its authority through transfer of power to the Italian government.

14. Canada is undoubtedly interested in the treatment of these other enemy countries in Europe. Canadians are now serving among the technical personnel of the Allied Commission in Italy and it is not improbable that other Canadians, because of their qualifications, may find themselves on similar bodies in the other countries.

15. The fact that the United States will probably not share in the control of Southeastern Europe might cause the United Kingdom to seek assistance from Canada in that area. Whether or not we provide forces of occupation, Canadian interests in this area are indirect and do not seem to justify the seeking of any share in the direction of policy. Specific Canadian interests can probably be handled by diplomatic representation in one or more of the Balkan and other Eastern European capitals. As for Italy, it was previously decided that Canadian interests did not justify pressing for a Canadian seat on the Advisory Council for Italy, even though substantial Canadian forces were serving in Italy. The question of establishing a Canadian diplomatic mission in Rome in the near future is outside the scope of this paper.

III. UNITED NATIONS COMMISSION FOR EUROPE

16. Earlier British proposals for control machinery in Europe envisaged as the chief political agency a United Nations Commission for Europe with a steering committee of the Great Powers and a council on which other European Allies and the Dominions, if they contributed to occupation, would be represented. For some time little mention has been made of this proposal, although it was accepted as a basis for further discussion at the Moscow Conference a year ago and was included as an appendix to the United Kingdom proposals submitted at the Dumbarton Oaks discussions. It seems likely that little more will be heard of this idea. It is possible, however, that when the European Allied Governments are firmly established in their homelands their pressure may make it necessary to develop the European Advisory Commission into a more comprehensive organ. Another possibility which was given some consideration at Dumbarton Oaks was the assumption by the new world organization of authority over the control machinery in Europe.

IV. CONCLUSIONS

1. It is not possible as yet to make more than tentative recommendations on the attitude to be adopted by the Canadian Government towards association with the control machinery in Germany. On the general policy to be pursued no final recommendations have yet been made by the European Advisory

Commission, and what is known at present in Ottawa consists chiefly of draft proposals which have been placed before the Commission, supplemented by information from various sources on the attitude taken by the three Governments represented on the Commission. The negotiations, however, have advanced to a point at which it is reasonable to assume that Germany will be placed under three-power military control (with the possible addition of France as a fourth partner), and that other Allied Governments are looked upon as auxiliaries useful chiefly as sources of manpower for the work of control.

2. It is recommended that in any event plans should be made for the establishment of a Canadian mission in Berlin shortly after the defeat of Germany. It will probably be desirable in the first instance for this mission to be headed by an officer of a rank not lower than Major-General although later the chief of the mission might be a civilian with the personal rank of Ambassador. Canadian contact with the Control Council would be conducted through this mission.

3. With regard to the specific requests for Canadian personnel for inclusion in the Control Commissions, it is recommended that the request made by the United Kingdom Government, through military channels, for the selection of staff officers to undertake demilitarization duties within the British zone of occupation should be accepted, since this task is an essential part of the duty of occupation forces.

4. With regard to the request for the provision of civilian and military personnel to assist in staffing the British element of the control machinery, it is recommended that the Canadian Government should not at present undertake any commitment in this respect, but that the Canadian Government should place no obstacle in the way of Canadians with suitable qualifications seeking such employment. A number of these will doubtless be found among the Canadian officers who have passed special courses in Civil Affairs and there will be many others with expert qualifications in various branches of wartime administration whose services can be dispensed with by the Canadian Government on the cessation of hostilities in Europe. There are also likely to be trained interpreters with the Canadian forces in Europe and Censorship personnel in Canada who would wish to volunteer for duty in Germany.

5. The procedure for recruiting such personnel is not clearly defined in the information received from the United Kingdom authorities. Their suggestion, however, appears to be that a process of preliminary selection should be made by the Canadian Government, while the choice would ultimately rest with agencies of the Control Council. The United Kingdom Government are, however, building up their own element in advance of the establishment of the Control Council and presumably Canadians acceptable to them would be reasonably certain of employment in Germany. It is recommended that the Canadian Government should at present confine itself to furnishing such information as may be available on the qualifications of individual Canadians seeking such employment.

6. It is recommended that the Canadian Government should not seek to participate directly in the control of other enemy territories in Europe and

should confine itself to the protection of its interests through the appointment of diplomatic missions in Allied capitals and perhaps in Rome. Should Canadian troops be stationed in Austria for a period after German defeat, consideration should be given to the establishment of a mission accredited to the Control Council in Austria.

7. The presence in Germany when fighting ends of large Canadian forces, some of which are expected to remain for a considerable period on occupation duty, will inevitably involve the Canadian Government directly in the problems of the European settlement. For this reason and for other reasons of policy, if pressure from European Allies or from other sources results in the expansion of the European Advisory Commission or the creation of a new political body such as a United Nations Council for Europe, it is recommended that the Canadian Government should seek direct representation.

715. DEA/7-AQs

Extrait du procès-verbal de la cinquième réunion du Comité consultatif sur les problèmes de l'après-guerre

Extract from Minutes of the Fifth Meeting of the Advisory Committee on Post-Hostilities Problems

SECRET

MINUTES OF THE FIFTH MEETING OF THE ADVISORY COMMITTEE ON POST-HOSTILITIES PROBLEMS HELD IN ROOM 214, NEW POST OFFICE BUILDING ON WEDNESDAY, OCTOBER 25TH AT 12.00 NOON

Present:

H. H. Wrong, Assistant Under-Secretary of State for External Affairs (Acting Chairman).
W. C. Clark, Deputy Minister of Finance.
A. D. P. Heeney, Clerk of the Privy Council.
Rear Admiral C. C. Jones, Chief of the Naval Staff.
Major General M. Pope, Military Staff Officer to the Prime Minister.
Col. J. H. Jenkins, Department of National Defence (Army).
J. W. Holmes, Department of External Affairs (Assistant Secretary).

1. Control Machinery for Europe: Canadian participation

Mr. Heeney reported that the Minister of National Defence for Air had passed on to him a telegram from Air Marshal Breadner† concerning the participation of the R.C.A.F. in control duties in Germany. Air Marshal Breadner recommended Canadian participation but pointed out that the present plans limited Canadians to duties with the rank of Wing Commander or under. Air Marshal Breadner's telegram outlined the numbers of officers of various ranks required for positions in Germany.

Mr. Wrong referred to the Working Committee's Paper on control machinery (C.P.H.P. (44) Report 6 (Final). He said that it might be necessary to take a strong line over plans for the control of Germany at a later stage but

he did not think the time had yet come. It was not certain as yet what would emerge from the discussions in the European Advisory Commission, but the trend seemed definitely to favour tight three-Power control and there was probably little that Canada could do to alter the pattern. The Soviet attitude was particularly intransigent on this subject. At present the European Allies knew much less about these plans than did Canada, but it might be expected that they would protest strongly when they were informed.

Mr. Wrong continued that he envisaged three stages in Canadian participation in the treatment of Germany. The first was the wartime stage in which Canada could, because of military necessities, accept Great Power direction. In the second stage, at the conclusion of hostilities, this acceptance became more difficult; to some extent the control of Germany in the second stage would still be a phase of military operations, but new problems of a political nature would be involved. In the third stage the situation would be still more difficult as the military phase would have ended. The Soviet Government seemed to wish to continue three-Power control into the third stage.

Dr. Clark expressed the view that on the basis of war effort the Canadian part in the defeat of Germany was probably greater than that of France. The Canadian claim to a proper share in the direction of policy was very strong. At a later stage the Canadian interest in policy towards Germany would be less pressing than that of the immediate neighbours of Germany. If Canada was to make a stand it would be advisable therefore that she do so now. Mr. Heeney said that after the end of hostilities other tests than military participation such as geographical proximity would be of the greatest importance in judging which countries should share in the control of Germany. The necessity was pointed out of attempting to calculate the stand of Canadian public opinion several years hence when planning to what extent Canada should become involved in commitments connected with the control and occupation of Germany.

In answer to a question from Dr. Clark as to whether the Canadian Government had made any protests about the trend towards three-Power control, Mr. Wrong stated that Canada was in a difficult position as the Government received its information confidentially from the United Kingdom Government and was therefore not able to express its views except to London. In June 1943, when the United Kingdom Government had first informed the Canadian Government of the nature of its proposals for control machinery in Europe, the Canadian Government had intimated in reply that Canadian participation in occupation must be related to Canadian participation in the control policy.[75] Canada, however, had been jockeyed out of this position by the unwillingness of the Soviet and United States representatives in the European Advisory Commission to agree to other than a three-Power arrangement. Dr. Clark expressed the view that Canadian protests should be placed on record at an early stage. If the Soviet Union was the only stumbling block in the

[75]Voir le volume 9, documents 515, 516 et 520.
See Volume 9, Documents 515, 516 and 520.

situation, which he was inclined to doubt, should not the Canadian Government express its views to the Soviet Government—with some reference to Canadian provision of supplies under Mutual Aid?

As for the three governments represented in the E.A.C., Mr. Wrong said that the Russians took the strongest stand, objecting even to the provision of face-saving formulas. He did not think that there was a solid opinion one way or the other in Great Britain or the United States. Undoubtedly, however, the higher authorities were impressed with the convenience of three-Power control.

Dr. Clark asked if the proposed Canadian Mission in Berlin would take the place of any diplomatic or consular representation. Mr. Wrong said that it would do so during the military period, as there would be no German authorities with whom governments could treat directly.

Discussion followed as to whether the Canadian view should be expressed at this stage or whether it should await the United Nations meeting to discuss the Dumbarton Oaks proposals. Mr. Wrong said that the United States was pressing for an early conference. The Canadian Government would be forced, therefore, to formulate its policy on this matter and also press for support for its views.

There was general agreement at the meeting that the specific proposals to provide personnel for service in the control of Germany could be handled without prejudicing the Canadian objection to the three-Power arrangements. It was agreed that plans for Canadian participation in the occupation of Germany would probably go forward in any case; there would be large Canadian forces in Europe after the surrender of Germany which would have to wait a considerable period for transportation home, and it would be better for their morale to employ these men in occupation duties rather than to hold them in camps merely awaiting repatriation.

The Committee decided that it would be advisable to place before the Government immediately the proposals for employment of Canadian personnel which had been received from the United Kingdom Government. Mr. Wrong stated that the United Kingdom High Commissioner in Ottawa had recently forwarded a request[†] for the selection of a suitable Canadian to serve as Chief of Transportation of the Control Commission for Austria, and it was to be expected that there would be a number of further requests of this kind. It was important to establish a method of handling all such requests.

It was agreed to recommend that the Government should not undertake to furnish personnel for the "British element" of the control machinery, but that assistance might be given in the selection of individual Canadians by the United Kingdom authorities along the lines adopted for the selection of Canadians to serve with UNRRA. It was agreed that it should be made clear to the United Kingom authorities that the reason for not accepting a commitment to furnish personnel was that the Canadian Government could not accept the principle involved.

It was agreed also that a distinction should be made between the personnel required for demilitarization duties and those required for the Civil Divisions

of the control machinery. The former were required for specific duties which were not likely to last more than a year. These duties were really a continuation of military operations, and those engaged in them might be considered part of the forces of occupation; detailed arrangements with respect to numbers, ranks, conditions of service, and so on could be settled between the service authorities concerned. The work of the Civil Divisions, however was to carry on the government of Germany, a matter which involved the question of general policy. In agreeing to provide forces for demilitarization, emphasis should be placed upon the limitations of the commitments.

The Committee approved the Report of the Working Committee for submission to the Cabinet War Committee, with the additional recommendation from the Advisory Committee that in communicating to the United Kingdom Government the proposals in conclusions (4) and (5) on page 7 of the Report there should be set forth the general reasons of policy which made the Canadian Government unwilling to undertake a commitment to provide Canadian personnel as part of the British element of the Control Commission for Germany and Austria.

It was recommended also that for purposes of convenience a summary of the memorandum should be attached.

Mr. Heeney asked in conclusion if the telegram from Air Marshal Breadner referred to at the opening of the meeting should be passed on to the Working Committee. It was agreed, however, that this was a matter which was being handled by the Services and that the Minister of National Defence for Air might be informed that the matter had been reported to the Advisory Committee and that the details were being handled by the Service Departments.

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716. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, November 9, 1944

...

CONTROL MACHINERY FOR EUROPE; CANADIAN PARTICIPATION

11. THE SECRETARY submitted a report of the Post-hostilities Advisory Committee, copies of which had been circulated.

The report, after describing the nature of proposals for control machinery, analyzed the probable position with respect to the association of other governments with the control mechanism, set forth possible methods for Canadian participation in so far as Germany was concerned, and concluded as follows:

(1) until the European Advisory Commission had made an agreed proposal to the governments of the U.S.S.R., the United States and the United Kingdom, only tentative recommendations on the Canadian position could be made;

(2) whatever the form of control machinery, a Canadian mission should be set up in Berlin soon after the defeat of Germany;

(3) the request for personnel for demilitarization duties should be accepted;

(4) and (5) no commitment should at present be accepted by the Canadian government to provide personnel for Civil divisions; no obstacle should be placed in the way of Canadians accepting such employment, but the government should confine itself at present to furnishing information on the qualifications of Canadian candidates;

(6) the Canadian government should not seek to participate directly in the control of other enemy countries in Europe, but should protect its interests by establishing some diplomatic missions in Eastern Europe;

(7) the Canadian government should seek representation in a United Nations Commission for Europe if such a body were established.

(P.H.P. Advisory Committee's report, Oct. 26, 1944—C.W.C. document 890)[76]

12. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS explained the general nature of the problem of associating the smaller United Nations with the proposed control arrangements. Recent developments, including particularly arrangements for participation by France in the work of the European Advisory Commission, indicated that changes in the pattern of control might be anticipated and more opportunity afforded for participation by the European allies.

13. THE MINISTER OF NATIONAL DEFENCE expressed agreement with the conclusions set out in the report submitted.

With regard to tripartite control, it would not be a practicable arrangement to have all of the United Nations participate equally in the control machinery, nor would division into a large number of zones make for efficient operation. Canada's primary interest would be in the earliest possible liquidation of Germany's war potential and, for this reason, she should support the simplest means to that end. Arrangements should certainly be made for the appointment of a Canadian mission which would be military at first and eventually civil.

14. THE WAR COMMITTEE, after discussion, approved the report submitted.

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[76] Voir la pièce jointe, document 714. Le Comité consultatif sur les problèmes de l'après-guerre avait approuvé le rapport du Comité de travail et l'avait communiqué au Comité de guerre du Cabinet.
See enclosure, Document 714. The Advisory Committee on Post-hostilities Problems had approved the Working Committee's report and had forwarded it to the Cabinet War Committee.

717. DEA/7-CA-3s

Le sous-secrétaire d'État aux Affaires extérieures à l'adjutant général adjoint[77]

Under-Secretary of State for External Affairs to Deputy Adjutant General[77]

SECRET Ottawa, November 15, 1944

Dear Brigadier Roome,

In connection with the visit of Major General S. W. Kirby, Deputy Commissioner (Military Planning) of the United Kingdom Nucleus Group of the Control Commission for Germany, and the discussion which took place at the meeting of the Post-Hostilities Working Committee, Monday, November 13th, on the question of the participation of Canadian personnel in this Control machinery, I attach a note prepared for the information of Major General Kirby summarizing the present position. You will observe that the note suggests, informally, that the next step might be for the United Kingdom to make an official approach to the Canadian Government as a result of which detailed arrangements could be concluded by the Department of External Affairs and the United Kingdom High Commissioner's Office in Ottawa, or in certain cases between the Service authorities concerned.

I should be glad if you would indicate whether this note is satisfactory from the point of view of your Department.

Yours sincerely,

H. W[RONG]
for the Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du ministère des Affaires extérieures

Memorandum by Department of External Affairs

Ottawa, November 14, 1944

EMPLOYMENT OF CANADIANS IN CONTROL MACHINERY FOR GERMANY

The present situation appears to be as follows:

1. The provision of staff and Civil Affairs officers by the Canadian Army and R.C.A.F. for employment on disarmament and military government duties within the British zone of occupation is regarded as part of the function of occupation forces. Numbers employed, method of selection, terms of service, etc., are matters for discussion through Service channels on the general

[77] Des lettres semblables furent envoyées aussi aux directeurs de planification de l'aviation et de la marine. Tous ont indiqué leur accord.
Similar letters were also sent to the Directors of Plans of the Air Force and Navy. All indicated their approval.

understanding that officers so employed remain subject to the demobilization regulations adopted in Canada and are not required to engage themselves for a further term of service.

2. In addition the United Kingdom authorities desire to secure the service of qualified Canadians, both military and civil, for duty with the British element of the Civil Divisions of the tripartite control machinery. The Canadian Government will place no obstacle in the way of Canadians seeking such employment, the task of selection remaining a matter for the United Kingdom authorities. The Canadian Government is ready to furnish such information as may be available to it on the qualifications of individuals and also to cooperate in arranging the establishment of a method of recruiting personnel in Canada if this is desired by the United Kingdom authorities. In the case of persons volunteering for civil posts, this may necessitate the establishment of some central clearing agency in Canada which could receive applications and collect information. Such an agency might be attached to the United Kingdom High Commissioner's Office in Ottawa where it would be in a position to secure advice and assistance from Government Departments and from private firms and individuals. In addition the aid of British technical missions in Canada and the United States could be employed.

3. In the case of persons now in the armed forces whose services are desired for employment in the Civil Divisions, certain special arrangements will doubtless prove necessary to facilitate the selection of officers volunteering for this work.

4. As censorship tapers off in Canada, there will become available a considerable number of experienced civil personnel who have long been engaged particularly in the censorship of incoming and outgoing German mail. It is believed that nearly 200 persons of this class would be ready to volunteer for service in Germany; among them are to be found persons speaking virtually every European language.

5. Consideration will have to be given to the means whereby the needs of the United Kingdom authorities can best be brought to the attention of the Canadian public in general and also members of the Canadian forces. Such publicity can best be carried out in the name of the United Kingdom Government with the cooperation of Canadian agencies concerned.

This note has been prepared in the Department of External Affairs for the information of Major General Kirby before his departure from Ottawa. Until confirmed it is to be regarded as informal. It is suggested that it would be of assistance if the United Kingdom Government were to make a general approach to the Canadian Government, as a result of which detailed arrangements could be concluded between the Department of External Affairs and the United Kingdom High Commissioner's Office in Ottawa or in certain cases between the Service authorities concerned.

718. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet[78]
Extract from Minutes of Cabinet War Committee[78]

SECRET Ottawa, December 11, 1944

...

ARMY; PARTICIPATION IN EUROPEAN OCCUPATION

12. THE MINISTER OF NATIONAL DEFENCE recommended that approval be now given to the Army proposal.

The Canadian occupation group would comprise approximately 25,000 all ranks, organized as an infantry formation and made up of units drawn from various parts of Canada. Personnel would be selected from volunteers and where necessary, by detailing others with low priority for demobilization. The force would be allocated to the British zone of occupation and the commitment would be specifically for Stage II, that is the period of adjustment and disarmament immediately following the operational occupation of Germany. Thereafter, personnel would be returned to Canada with all possible speed.

A further explanatory note had been circulated.

(Army memorandum, Nov. 26, 1944—C.W.C. document 900.)†

13. THE WAR COMMITTEE, after discussion, approved the Minister's recommendation.

...

719. DEA/7-AQs

Extrait du procès-verbal de la sixième réunion du Comité consultatif sur les problèmes de l'après-guerre

Extract from Minutes of the Sixth Meeting of the Advisory Committee on Post-Hostilities Problems

SECRET

MINUTES OF THE FIFTH [*SIC*] MEETING OF THE ADVISORY COMMITTEE ON POST-HOSTILITIES PROBLEMS HELD ON WEDNESDAY, DECEMBER 20TH, AT 4.30 P.M. IN ROOM 123 IN THE EAST BLOCK

Present:
N. A. Robertson, Esq., Department of External Affairs, Chairman

[78]Voir aussi le document 413.
See also Document 413.

Air Marshal R. Leckie, Chief of the Air Staff
Major General Ralph Gibson, representing the Chief of the General Staff
Captain H. G. de Wolfe, representing the Chief of the Naval Staff
Major General Maurice Pope, Privy Council Office
W. C. Clark, Esq., Deputy Minister of Finance
A. D. P. Heeney, Esq., Secretary to the Cabinet
H. H. Wrong, Esq., Department of External Affairs
Lt. Col. E. W. T. Gill, Secretary, Chiefs of Staff Committee
Commander D. K. MacTavish, Privy Council Office (Secretary)
G. Ignatieff, Esq., Department of External Affairs (Assistant Secretary)

...

2. *Provision of Occupation Forces in Europe*

At the Chairman's request Mr. Wrong outlined the problem arising out of the decision made at a meeting of the Cabinet War Committee on December 11th, when approval was given to the recommendation of the Minister of National Defence for a Canadian Army occupation group of 25,000 (all ranks) to be allocated to the British zone of occupation in Stage 2, and Air Force participation to the extent of eleven squadrons.[79] One question to be decided was whether this decision should be communicated inter-governmentally to the United Kingdom as well as through Service channels, and whether, in connection with any inter-governmental communication, comment should be made on Canadian participation in the direction of the control machinery for Germany.

Mr. Heeney added in explanation that the Chief of the General Staff had asked in the War Committee whether C.M.H.Q. should be informed of the War Committee's decision, or whether the United Kingdom Government would first be informed by official communication to the Dominions Office. After discussion with Mr. Wrong it had been decided that the matter should be discussed in the Advisory Committee, particularly with a view to considering whether the War Committee decision should be associated with a more comprehensive statement of the attitude of the Canadian Government regarding its relation to the control machinery for Germany.

Mr. Wrong, referring to the use of the term "Stage 2," in the decision of the War Committee, suggested that this might require clearer definition, as the phrase was used in at least two different senses. In financial negotiations with the United Kingdom Government, it had been understood that "Stage 2" referred to the period between the conclusion of hostilities with Germany and the end of the war with Japan. On the other hand, in documents received from the Post-Hostilities Planning Staff in London, particularly in the report on the military occupation of Germany,† approved by the United Kingdom Chiefs of Staff and by the Ministerial Committee on Armistice Terms and Civil Administration in December 1943 for submission to the European Advisory Commission, "Stage 2" had been defined as "the period between the date on which the work of disarmament begins and the time when, although

[79] Voir aussi le document 413.
See also Document 413.

disarmament and the destruction of war industries are not complete, yet such substantial progress has been made that Germany has been deprived of the capacity for any effective military action." Stage 1, the period of active hostilities on German soil and immediately after the "cease fire," and Stage 2, according to this document, might be completed within some two years. Moreover, Mr. Kirkpatrick who, it was understood, was to be head of the Political Division of the British element of the Control Commission for Germany, had suggested in conversation with Mr. Ritchie in London on October 2nd that the period of military Government in Germany "might well last eighteen months." It was therefore, important that in making any comments to the United Kingdom Government we should make it clear for what period the Canadian occupation forces in Germany were being committed.

Mr. Heeney suggested that it would be difficult to propose a precise time limit as the period would depend partly on the rate of repatriation of Canadian forces which, in turn, would be affected by limitations imposed by shipping and also the rate of repatriation of U.S. forces. The rate of Canadian repatriation should undoubtedly be *pari passu* with that of U.S. forces. There was also the question of the substitution of French, Belgian and Dutch troops for Canadian forces in occupation duties in the British zone. These Allies seemed to be anxious to participate and this would also affect the Canadian commitment.

Mr. Robertson suggested that, having in mind these factors affecting the rate of repatriation, it might be well to suggest a scaled commitment with an occupation group larger than the 25,000 approved by the War Committee for the first period of, say, six months, which would gradually be reduced during the subsequent period of eighteen months. It would be necessary, however, for this purpose, to have more precise information regarding United States plans of repatriation and the possible substitution of Allied forces for Canadian occupation troops in Germany. If this information was available, it would be possible to make a time-table for the purposes of Canadian commitment.

Mr. Clark suggested that it would be easier to get volunteers for the Canadian occupation forces for a fixed time, if a specific time-table could be set, and a graduated withdrawal of Canadian occupation forces could be arranged.

Mr. Heeney said that it would be difficult to ask for reconsideration of the 25,000 occupation group authorized by the War Committee, especially as there were so many unknown factors governing the desirable rate of repatriation. He agreed that we should be as specific as possible on the time commitment. Mr. Clark and the Chief of the Air Staff were in agreement with this view.

Mr. Wrong recalled that the Canadian Government had agreed to a short-term use of Canadian forces for occupation duties in Italy and Austria,[80] and that the use of these forces also depended on the rate of repatriation from the Mediterranean area. Repatriation from both theatres of war, therefore,

[80]Voir le document 335.
See Document 335.

depended mainly on the shipping available. He suggested that it might be desirable to obtain information on whether Canadian merchant vessels converted to carry troops on their return voyages might be used at our discretion to supplement troop ships, especially for repatriation of Canadians from the Mediterranean area, under the existing commitments to continue to pool shipping after the Armistice.

As regards the political position of Canada in relation to control machinery, Mr. Wrong said that there had been no progress. Recent indications pointed to the fact that the three Power pattern was being more clearly defined and articulated. The most lively issue at the present time in this connection was the part to be played by France. A letter just received from Canada House,' moreover, indicated that in the period of military government at least, authority was to be concentrated definitely in military hands. It appeared that SHAEF was anxious to hold on to its own authority for an indeterminate period after the close of hostilities, rather than give way as soon as possible to the tripartite Control Council after the close of hostilities as had been expected. There seemed, therefore, no prospect of securing any effective Canadian association with the direction of the control machinery and this was a further argument for limiting the commitment of Canadian forces.

Mr. Robertson referred to the United Kingdom plan to allow wives and families to follow the United Kingdom occupation troops to Germany. Mr. Wrong explained that this was in accord with the policy of avoiding any fraternization between the occupation troops and the population. This would, however, raise a further difficulty with regard to the Canadian occupation group.

Mr. Heeney suggested that, in view of the considerations which had been mentioned, it might be desirable to avoid a firm commitment for Canadian participation in the occupation of Germany beyond the end of the next fiscal year, the position then to be reviewed. This was agreed.

Mr. Robertson suggested that the Joint Staff Mission in Washington should be asked to find out what the U.S. authorities intended doing in regard to the following questions:

(a) whether a voluntary method was to be applied in securing personnel for occupation duties;

(b) whether consideration has been given to allowing wives and families of U.S. personnel on occupation duty to go to Germany;

(c) the repatriation plans for U.S. personnel from the European theatre of operations.

In connection with the latter, Mr. Robertson stressed that U.S. and Canadian forces personnel would probably be competing for the same shipping and it would be desirable to come to an agreement with the United States authorities in some pooling arrangements. A large portion of the Canadians had been overseas longer than the U.S. personnel and this made it all the more desirable that there should be no discrimination. It was agreed that an enquiry on these lines should be made through the Canadian Joint Staff Mission in Washington.

In referring to the question of Canadian participation in the direction of the control machinery, it was agreed that in stating that the Canadian Government would accept firm commitment to provide occupation troops for Germany for the next fiscal year only, mention should be made in any telegram sent to the U.K. Government that among other reasons this decision was affected by the fact that no provision had been made for effective participation on the part of Canada in the direction of policy under the proposals for the control machinery for Germany.

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720. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, January 8, 1945

...

EMPLOYMENT OF CANADIAN FORCES IN EUROPE; OCCUPATION OF GERMANY

16. THE SECRETARY, referring to the decisions taken at the meeting of December 11th, submitted and read a draft telegram to the U.K. government regarding the Canadian Army and Air Forces to be made available, after the defeat of Germany, for occupation duty.

It had been thought desirable by the Advisory Committee on Post-Hostilities Problems to put some time limit upon the availability of Canadian personnel, after which the position would be reviewed.

(Draft telegram, External Affairs to Dominions Office, Jan., 1945).[81]

17. THE WAR COMMITTEE, after discussion, approved the draft telegram submitted, for despatch.

...

721. DEA/7-CA-2

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 9 Ottawa, January 9, 1945

TOP SECRET. We have given a good deal of consideration to the question of the provision of Canadian forces for occupational duty in Germany after the defeat of that country has been achieved. You will recall that this matter has been referred to in several telegrams between us during the last eighteen months. It

[81] Voir le document suivant.
See following document.

was also discussed with Mr. Churchill and the United Kingdom Chiefs of Staff on the occasion of the Quebec Conference last September.[82] There has been further consultation through Service channels. The particular matter of the possible use of Canadian troops for temporary occupation in Austria and Northeast Italy was recently dealt with in an interchange of telegrams ending with your No. 207 of 29th November.[83]

2. We have now decided to provide, for a period yet to be determined, one Army occupational group of approximately 25,000 all ranks for duty within the British zone of occupation in Germany and eleven R.C.A.F. squadrons to be stationed partly in Germany and partly in the United Kingdom. Both the War Office and the Air Ministry have been advised to this effect through Service channels and further details of our undertaking under this head can continue to be worked out in this way. There are however some overall considerations of policy which we feel should be communicated intergovernmentally.

5. We hold most firmly to the view that, upon the cessation of hostilities with Germany, Canadian forces should be repatriated from the European theatres as quickly as circumstances will permit. A noticeable number of our troops are now in their sixth year of service overseas. A considerable proportion have now served three years abroad. In any event, the average length of overseas service of Canadian forces must be considerably higher than that of the United States forces. Consequently when fighting against Germany has ended there will be a natural and insistent demand here in Canada, as well as amongst our troops abroad, that they should be brought home in the shortest possible time and certainly with no less despatch than that with which American forces will be returned to the United States.

4. We are well aware that the difficult problem of sea transportation will continue for a considerable time after the defeat of Germany and that the early repatriation of all our forces, no matter how much this will be desired, will not be possible of achievement. Nevertheless, we must say that it would be both unwise on our part and misleading to you were we, at this stage, definitely to undertake to furnish occupational forces for the whole period of military control in Germany.

5. In these circumstances we take the view that our present decision should be reviewed towards the end of the next fiscal year, i.e., prior to 31st March, 1946. By that time much that now is hypothetical should be clearer. We should by then be better able to assess the length of the period of full military control of Germany, the strength of occupational forces which can be provided by our European allies, and the requirements of the Japanese war for manpower and shipping. It is uncertain, moreover, for how long after the fighting ends it will be politically possible to provide Canadian occupation forces in view of the fact that the plans for the control of Germany give the Canadian Government no voice in the direction of policy.

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[82] Voir les documents 400 et 713.
See Document 400 and 713.

[83] Voir les documents 329, 335 et 337.
See Documents 329, 335 and 337.

722. DEA/7-CA-3

Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures

High Commissioner of Great Britain to Under-Secretary of State for External Affairs

1069/1 Ottawa, January 15, 1945

SECRET

Dear Mr. Robertson,

As you will know, Major General Kirby, the representative of the Control Commission for Germany (British element), visited Ottawa recently and had some discussion with the Department of External Affairs regarding the question of employment of Canadians in the control machinery for Germany.

During General Kirby's visit, a note which had been prepared in the Department of External Affairs on this subject was communicated to him for his information[84] with the understanding that, until confirmed, it was to be regarded as informal. The note suggested that it would be of assistance if the United Kingdom Government were to make a general approach to the Canadian Government as a result of which detailed arrangements could be concluded between the Department of External Affairs and the United Kingdom High Commissioner's Office in Ottawa.

I have now been asked to communicate to you the enclosed revised list of appointment in the Civil Divisions† giving an indication of the appointments for which it is suggested Canadian candidates might wish to be considered.

To assist in consideration of this matter, I also enclose a memorandum† on the formation and progress of the Control Commission for Germany (British element), together with a staff memorandum† regarding the relationship between Supreme Headquarters Allied Expeditionary Force and the United States and British elements in the Control Commission-Council for Germany.

In accordance with the suggestion contained in the Department of External Affairs note of the 14th November last, I have now been asked to enquire whether the Canadian Government will be prepared, as indicated in the note, to sanction and assist in the recruitment of Canadian candidates for appointment to the Control Commission for Germany (British element), on the understanding that the actual selection of candidates as well as payment of the personnel employed will remain the responsibility of the United Kingdom Government.

If you would be good enough to let me know whether the Canadian Government are prepared to act in the matter on this basis, I would suggest that the detailed arrangements for appointment and recruitment of Canadians

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[84]Voir la pièce jointe, le document 717.
See enclosure, Document 714.

for such posts should form the subject of discussion between representatives of the Department of External Affairs and this Office.

Yours sincerely,

MALCOLM MACDONALD

723. DEA/7-CA-3s

Procès-verbal d'une réunion entre des représentants du Canada et des représentants de la Grande-Bretagne

Minutes of a Meeting between Representatives of Canada and Representatives of Great Britain

SECRET Ottawa, January 31, 1945

RECORD OF CONVERSATION AT DEPARTMENT OF EXTERNAL AFFAIRS BETWEEN MR. STEPHEN HOLMES AND MR. J.J.S. GARNER OF THE OFFICE OF THE UNITED KINGDOM HIGH COMMISSIONER AND MR. WRONG, MAJOR GENERAL MAURICE POPE, MR. RITCHIE AND MR. IGNATIEFF, WITH REGARD TO EMPLOYMENT OF CANADIANS IN THE CONTROL MACHINERY FOR GERMANY[85]

The discussion took place on the basis of the memorandum prepared for the information of General Kirby during his visit to Ottawa dated November 14th, and the letter from Mr. MacDonald to Mr. Robertson dated January 15th. In this letter it was proposed that the Canadian Government should "sanction and assist in the recruitment of Canadian candidates for appointment to the Control Commission for Germany (British element), on the understanding that the actual selection of candidates as well as payment of the personnel employed will remain the responsibility of the United Kingdom Government." Annexed to the High Commissioner's letter was a list of appointments in the Civil Divisions of the Control Commission for Germany (British element) giving an indication of the appointments which might be available to Canadian candidates.

Mr. Wrong stated that the memorandum prepared for General Kirby's information had been based on approved Canadian Government policy. While there would appear to be no difficulty in reaching agreement with the United Kingdom Government in principle on the basis of the proposal in the High Commissioner's letter, it had been found, in the time which had elapsed since General Kirby's visit, that there were difficulties in working out the practical arrangements which it involved. These difficulties had led to discussions of this matter with the Canadian Services and it had been decided that in order that there should be an identical understanding on the procedure to be followed as between the Services, the whole question should be brought to the attention of the Chiefs of Staff Committee. The Chiefs of Staff, it was proposed, might restate Canadian policy in the light of recent developments and get into touch

[85] La réunion a eu lieu le 30 janvier.
The meeting took place on January 30.

with the Joint Staff Mission in London, who would be invited to give their comments and furnish any additional information required to clarify any points in doubt.

Mr. Wrong then referred to the long list of possible appointments which was annexed to the High Commissioner's letter of January 15th. He said that he was at a loss to know how assistance could effectively be granted to the United Kingdom authorities in finding suitable Canadian candidates for these posts. Such persons might be in the Canadian forces overseas and in Canada, in the employment of civil departments of the Canadian Government or the Provinces, or in private employment in Canada. If the list were simply given to the Civil Service Commission they would not be likely to be able to help. Circulation to Government departments in Ottawa might produce numerous enquiries, but especially since the list contained very little indication concerning remuneration and terms of service, it could not be expected that useful results would follow. The Department of External Affairs would only be able to refer enquiries to the High Commissioner's Office, which might be faced with a large volume of correspondence and many requests for interviews from unsuitable candidates. It seemed most likely that the best initial source of candidates would be from Canadian Service personnel, particularly those overseas. This would apply, for example, to Canadian Civil Affairs officers, whose services as such would presumably terminate when the Control Commission took over from SHAEF.

After discussion it was agreed that the following procedure seemed likely to be the best way of dealing with the list of appointments enclosed with the High Commissioner's letter:

(a) as far as possible candidates for the positions should be selected from Canadian personnel of the three Services serving overseas volunteering for these duties;

(b) if persons with expert qualifications were still urgently required from Canada, Canadian Departments, both Service and Civil, might be asked to assist and efforts might also be made to discover individual civilian candidates through various channels;

(c) in the first instance the matter would have to be discussed by the Canadian Chiefs of Staff Committee in order that a common procedure should be adopted by the three Canadian Services, and the Canadian Joint Staff Mission in London would be advised of the most recent developments in connection with the problem;

(d) thereafter an approach might be made by the United Kingdom authorities to the Canadian Joint Staff Mission with a view to circularizing members of the Canadian Services overseas for suitable volunteers.

As regards the government policy involved, Mr. Wrong stated that he thought it could be assumed:

(i) that the Canadian occupation group in Germany would include the necessary staff for discharging normal occupation duties in the area occupied by Canadian troops;

(ii) that the Canadian Government was willing to contribute as its responsibility a number of Canadian officers for demilitarization duties in the British zone of occupation equivalent to the proportion of Canadian troops to British in the zone of occupation.

(iii) that as regards recruitment of Canadian candidates for the British element of the Control Commission for Germany, the policy of the Canadian Government was as stated in the High Commissioner's letter, that it would sanction and assist in the recruitment of Canadian candidates on the understanding that the actual selection and payment of the personnel employed would remain the responsibility of the United Kingdom Government.

724. DEA/7-CA-3s

Le secrétaire principal, le haut commissariat de Grande-Bretagne, à la première direction politique

Senior Secretary, High Commission of Great Britain, to First Political Division

1069/1 Ottawa, February 9, 1945

SECRET

Dear George [Ignatieff]

Thank you for your letter of the 6th February† returning with some amendments the proposed draft telegram to the Dominions Office on recruitment for the Control Commission for Germany.

We are grateful for your assistance and have accepted all your suggestions. I enclose a copy of the telegram as sent.

We have just heard from the Dominions Office that Colonel Neate[86] is due to leave the United Kingdom by air on the 10th February and will arrive in Ottawa on approximately the 14th February. He will, of course, call here first and we will arrange to put him in touch with you.

Yours sincerely,

J. J. S. GARNER

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[86] Recruteur d'interprètes et de traducteurs civiles du russe au nom de la Commission de contrôle pour l'Allemagne (élément britannique) et de la Commission Alliée pour l'Autriche (élément britannique).
Recruiter in Canada of civilian interpreters and translators of Russian on behalf of Control Commission for Germany (British Element) and Allied Commission for Austria (British Element).

[PIÈCE JOINTE/ENCLOSURE]

Le haut commissaire de Grande-Bretagne au secrétaire aux Dominions

High Commissioner of Great Britain to Dominions Secretary

TELEGRAM 263 Ottawa, February 7, 1945

SECRET. Your telegram No. 146.[†] Recruitment for Control Commission for Germany.

1. As stated in my telegram No. 124[†] matter was taken up by letter with D.E.A.[87] on the lines suggested in Stephenson's[88] letter of 30.12.[†] Pending a reply to this letter it was suggested that detailed arrangements should be discussed between representatives of D.E.A. and this office. Accordingly, members of my staff were invited to attend meeting at D.E.A. this week.

2. D.E.A. representatives pointed out that while there would be no difficulty in reaching agreement in principle on the basis suggested there were likely to be difficulties in working out the practical arrangements involved. For example the detailed lists contained in Stephenson's letter gave no information concerning remuneration and terms of service. They thought we should be faced with difficulties in finding suitable candidates in Canada at the present time. On the other hand there were a number of Canadian service personnel particularly those serving overseas who would no doubt be available for posts of this kind. It seemed, therefore, that best course would be initially to obtain candidates from volunteers among personnel of the three services serving overseas. This would cover Canadian Civil Affairs Officers whose services as such would presumably terminate when Control Commission took over from SHAEF. Such a course would have following advantages:

(1) It would be likely to provide most suitable and readily available candidates for at least majority of posts involved.

(2) Full information as to exact requirements of Control Commission and as to conditions of appointment would be available on the spot in London.

(3) It would ensure that arrangements were handled through the one channel.

3. The Canadian Chiefs of Staff are now considering the question to ensure a common procedure in the availability of candidates from all three Services. Appropriate instructions will then be issued to Canadian Joint Staff Mission, London, with whom the Control Commission should conduct arrangements for recruitment.

4. Suggested procedure would not of course preclude special arrangements in cases where exact requirements of Control Commission were known. For instance Canadian authorities would be willing to advise Colonel Neate with regard to recruitment of interpreters. They would also be willing to invite Canadian Departments both service and civil to help in finding individual civil candidates if persons with expert qualifications were still urgently required

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[87] Document 722.

[88] Sous-secrétaire d'État adjoint des Affaires des Dominions de Grande-Bretagne.
Deputy Under-Secretary of State for Dominion Affairs of Great Britain.

from Canada after candidates had been sought from Canadian Joint Staff Mission. They feel, however, that circulation of lists of posts, such as enclosure to Stephenson's letter, among Government Departments, and perhaps provincial authorities, would not be productive of satisfactory results.

725. DEA/7-CA-2

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 39 London, February 27, 1945

TOP SECRET. Your telegram of January 9th, No. 9.

We are glad to learn of Canadian Government's decision to provide, for a period yet to be determined, one army occupational group of approximately 25,000 all ranks for duty within the British zone of occupation in Germany and eleven R.C.A.F. squadrons to be stationed partly in Germany and partly in the United Kingdom. We have noted that they intend to review this decision before the end of the next fiscal year.

2. In accordance with undertaking given in my telegram No. 207,[89] every effort will be made consistent with operational requirements to meet Canadian Government's wishes with regard to the repatriation of Canadian forces in Europe.

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[89]Document 337.

726. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, March 14, 1945

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OCCUPATION OF BERLIN; CANADIAN PARTICIPATION

15. THE MINISTER OF NATIONAL DEFENCE reported that 21st Army Group had enquired whether the Canadian Army would participate in the occupation of Berlin by the forces of the United Nations.

A reply had been sent stating that it was considered desirable that the Canadian Army should participate, both on national grounds and to give Canadian troops the satisfaction of having a token detachment present at the entry into the enemy capital. It was assumed that this detachment would not be of a permanent nature, and it was desired that Canadian command units so detailed should be returned to Canadian command as soon as the purpose of this participation had been accomplished.

Approval in principle had, therefore, been given to discuss the matter on these lines and Canadian Military Headquarters had been asked to submit definite proposals for consideration.

(National Defence telegrams COS 261 and CGS 116, March 12, 1945).†

16. THE WAR COMMITTEE noted with approval the Minister's report.[90]

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[90] Voir aussi C. P. Stacey, *La campagne de la victoire; Les operations dans le nord-ouest de l'Europe, 1944-1945* Ottawa, Imprimeur de la Reine, 1960, p. 657.
See also C. P. Stacey, *The Victory Campaign: The Operations in North-West Europe, 1944-1945*. Ottawa, Queen's Printer, 1960, pp. 620-1.

727. DEA/7-AQs

Extrait du procès-verbal de la huitième réunion du Comité consultatif sur les problèmes de l'après-guerre

Extract from Minutes of the Eighth Meeting of the Advisory Committee on Post-Hostilities Problems

SECRET

MINUTES OF THE EIGHTH MEETING OF THE ADVISORY COMMITTEE ON POST-HOSTILITIES PROBLEMS HELD ON THURSDAY MARCH 15TH IN ROOM 123 IN THE EAST BLOCK

Present:

N. A. Robertson, Esq., Department of External Affairs (Chairman).
Vice Admiral G. C. Jones, Chief of the Naval Staff
Lieut.-General J. C. Murchie, Chief of the General Staff.
Air-Vice Marshal W. A. Curtis for Chief of the Air Staff.
Major General Maurice Pope, Privy Council Office.
A. D. P. Heeney, Esq., Secretary to the Cabinet.
H. H. Wrong, Esq., Department of External Affairs.
Captain D. K. MacTavish, Privy Council Office (Secretary).
Lt. Col. E. W. T. Gill, Secretary, Chiefs of Staff Committee.
G. Ignatieff, Esq., Department of External Affairs, Assistant Secretary.

...

CANADIAN PARTICIPATION IN CONTROL MACHINERY IN GERMANY

The Chairman explained that this question mainly involved the position of R.C.A.F. personnel in relation to the Control Commission for Germany. The general question of Canadian participation in the Control Commission for Germany had been reviewed at the Thirty-ninth meeting of the Working Committee to decide whether the policy set forth in the paper "Control Machinery in Europe—Canadian Participation" (C.P.H.P. (44) Report 6 (Final), October 19th), which had been approved by the War Committee, needed revision. It was recommended, at this meeting, that no additional information had come to light to justify a revision, but that it should be suggested to the Chiefs of Staff that they might agree to identical procedures for the three Canadian Services, and send a message to the Joint Staff Mission in London for the guidance of Canadian service headquarters overseas.

This recommendation had been accepted, and the message from the Chiefs of Staff had produced certain reactions from the Joint Staff Mission in London. It appeared that the R.C.A.F. in particular had adopted a procedure which did not seem entirely in accord with agreed policy. Apparently the R.C.A.F. Headquarters overseas had made arrangements with the Air Ministry that (1) the number of R.C.A.F. personnel apportioned for demilitarization duties would be in the proportion of ten percent of the total R.A.F. commitment for these duties, and would be on the basis of rank for rank, R.C.A.F./R.A.F.; (2) that the term of service for such R.C.A.F.

personnel would be for a period of two years; (3) that the R.C.A.F. personnel apportioned for occupation duties would include a number of officers attached to the Control Commission in Berlin.

The Chairman suggested that the Committee should decide whether any developments had occurred which would justify reconsideration of approved Government policy. General Murchie outlined the procedure which governed the volunteering of Canadian Army personnel for duty with the British Element of the Control Commission for Germany and it was agreed that this was in accordance with accepted policy. Admiral Jones pointed out that the participation of Canadian Naval personnel was limited to a number of individuals only. Air Vice Marshal Curtis stated that the R.C.A.F. were anxious to know whether the arrangements they had made with the Air Ministry were considered to be out of line with approved policy.

In discussion it was pointed out that it was the intention of the Government to avoid having officers serving, as part of the Canadian commitment to furnish occupation forces, on the Control Commission in Berlin, for the reason that Canada had no share or responsibility in the military government of Germany. If the service of such officers was desired by the United Kingdom, individuals might be allowed to volunteer, but they would become entirely a United Kingdom responsibility and would cease to be members of the Canadian forces. It was therefore not appropriate that Canadian personnel should be included in the Control Commission. Accordingly, it was agreed that the R.C.A.F. personnel earmarked for the Control Commission, Berlin, should be withdrawn. Otherwise, the proposals respecting the inclusion of complete Units, Officers and other ranks, do not appear to be in conflict with the agreed policy. As regards R.C.A.F. personnel employed for demilitarization duties referred to under one and two of paragraph two above, it is understood that such arrangements would necessarily be subject to

(a) the overriding reservation applicable to Canadian contribution to occupation forces, i.e., that the matter should be reviewed at the end of the 1945-46 fiscal year; and

(b) the general condition set out in the PHP paper that personnel so employed will remain subject to Canadian demobilization regulations.

The Chairman said that a further question which had been raised by the Joint Staff Mission concerned the setting up of the Canadian Military Mission to the Control Commission. A message from the Joint Staff Mission had stated that if such a Mission were contemplated there might be some merit in having this Mission formed in embryo in London at an early date. It was pointed out in discussion that the functions of these Military Missions, which were intended to act as liaison between the Control Commission and the other Governments of the United Nations, were under current discussion in the European Advisory Commission. The size of the Canadian Mission would, in all probability, be very small and there seemed no purpose at the present time of setting up a mission in embryo which would not have anything to do.

Finally it was agreed that the information available would not justify revision of the policy outlined in the Advisory Committee Report C.P.H.P. (44) Report 6 (Final) of October 19th, "Control Machinery for Europe—Canadian Participation."

728. DEA/7-CA-3s

Le président, le Comité de travail sur les problèmes de l'après-guerre, au secrétaire, le Comité des chefs d'état-major

Chairman, Working Committee on Post-Hostilities Problems, to Secretary, Chiefs of Staff Committee

SECRET Ottawa, March 19, 1945

A letter has been received from the United Kingdom High Commissioner's Office regarding the question of recruitment of Canadian personnel for the Control Commission for Austria, a copy of which is attached.[†] In this connection I would draw the attention of the Chiefs of Staff to the recommendation contained in the approved paper on "Control Machinery for Europe—Canadian Participation"[91] in which it is stated in paragraph six of the conclusions:

"It is recommended that the Canadian Government should not seek to participate directly in the control of other enemy territories in Europe and should confine itself to the protection of its interests through the appointment of diplomatic missions in Allied capitals and perhaps in Rome. Should Canadian troops be stationed in Austria for a period after German defeat, consideration should be given to the establishment of a mission accredited to the Control Council in Austria."

In accordance with this approved policy there would be no direct participation on the part of Canada in the control of Austria. However, it would seem appropriate for arrangements to be made for Canadian Service personnel overseas to have the opportunity of volunteering for posts with the Control Commission for Austria under the same terms as have been approved governing the appointment by the United Kingdom authorities of individual volunteers for service with the British Element of the Control Commission in Germany.

It would be appreciated if you would draw the attention of the Chiefs of Staff to the letter from the United Kingdom High Commissioner's Office regarding the Control Commission for Austria, and seek their views on this question in order to enable this Department to take up the matter with the United Kingdom High Commissioner's Office.

H. H. WRONG

[91] Voir la pièce jointe, document 714.
See enclosure, Document 714.

729. DEA/7-CA-3s

Le secrétaire, le Comité des chefs d'état-major, au président, le Comité de travail sur les problèmes de l'après-guerre

Secretary, Chiefs of Staff Committee, to Chairman, Working Committee on Post-Hostilities Problems

SECRET Ottawa, March 29, 1945

CONTROL MACHINERY FOR AUSTRIA; CANADIAN PARTICIPATION

The Chiefs of Staff, at their meeting of March 27th, considered your memorandum of March 19th on the question of the recruitment of Canadian personnel for the control commission for Austria.

They agreed that there were no objections in Canadian service personnel being given the opportunity of volunteering for posts with the control commission for Austria under the same terms as have been approved governing the appointment by the United Kingdom authorities of individual volunteers for service with the Headquarters Control Commission, Berlin.

Notification of this agreement has gone forward to the Canadian Joint Staff Mission in Signal CSC-1013,† a copy of which is attached.

A further message† has been prepared in line with the suggestion in your memorandum of 19th March[92] and this is now being cleared with the Service departments before dispatch. This will set forth the general principles governing the selection of personnel by the United Kingdom and reference will be made to the fact that these principles apply for the Control Commission for Austria as well as the Headquarters Control Commission, Berlin. A copy of this message will also be forwarded for your files.

E. W. T. GILL
Lieutenant-Colonel

730. DEA/7-CA-2

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 609 Ottawa, April 20, 1945

SECRET

[92] Non reproduit. Ce mémorandum traitait du recrutement de Canadiens pour la Commission de contrôle pour l'Allemagne.
Not printed. This memorandum dealt with recruitment of Canadians for the Control Commission for Germany.

Sir,

I have the honour to refer to the question of the Allied Missions accredited to the quadripartite Control Commission to be set up in Berlin after the cessation of hostilities with Germany. It will be recalled that Article eight of the Agreement on Control Machinery in Germany, which was approved in the European Advisory Commission at its 11th Meeting (November 14th, 1944),[93] states that "the necessary liaison" (between the Control Commission and) "the Governments of other United Nations chiefly interested will be ensured by the appointment by such Governments of Military Missions (which may include civilian members) to the Control Council, having access through the appropriate channels, to the organs of control."

The question of establishing a Canadian Military Mission in Berlin was considered in connection with the general question of Canadian participation in the control machinery for Europe which was the subject of the Canadian P.H.P. paper "Control Machinery for Europe - Canadian Participation" (approved by the War Committee last November (C.P.H.P. Report 6 (Final), October 19th, 1944). The passage which relates to the question of a Canadian Military Mission is as follows:

"It is recommended that in any event plans should be made for the establishment of a Canadian Mission in Berlin shortly after the defeat of Germany. It will probably be desirable in the first instance for this Mission to be headed by an officer of a rank not lower than Major General although later the chief of the Mission might be a civilian with the personal rank of Ambassador. Canadian contact with the Control Council would be conducted through this Mission."

The Control Commission in Berlin will be the supreme governmental authority in Germany from which will emanate the instructions to be executed both by the armies of occupation and by the German civil authorities. It will consist of the Commanders in Chief of the occupying forces of the United Kingdom, the United States, U.S.S.R and France. The Military Missions which may be accredited to the Control Commission by other Allied Governments will presumably be sent there to look after their interests in Germany during the period of operations of the Control Commission; and when civil control is substituted for military control they may be expected to become diplomatic missions headed by Ambassadors or Ministers.

Since the draft agreement concerted in the European Advisory Commission was approved by the Governments concerned, however, we have received no further information regarding the proposed functions of these Missions, nor about the manner in which the necessary liaison between the Military Missions and the Control Council was to be carried out. It has been noted, however, that in a letter from Mr. Holmes to Mr. Ritchie of March 3rd, 1945,[†] reference is

[93]Voir États-Unis, *Foreign Relations of the United States. The Conferences at Malta and Yalta, 1945.* Washington, U.S. Government Printing Office, 1955, pp. 124-7.
See United States, *Foreign Relations of the United States. The Conferences at Malta and Yalta, 1945.* Washington, U.S. Government Printing Office, 1955, pp. 124-7.

made to the fact that the question was under discussion in the European Advisory Commission and that it was expected that some specific proposals would be made shortly.

Having in mind that substantial Canadian forces will be employed in disarmament and demilitarization duties in Germany and also that provision will need to be made for the safeguarding of the interests of Canadian nationals who may be in Germany in the post-hostilities period, we are anxious to have available, as soon as possible, information which would enable the Canadian Government to proceed with arrangements for the establishment of an appropriate Canadian Military Mission in Berlin. It would be appreciated, therefore, if you would ascertain through Sir William Strang and other United Kingdom officials concerned the present position of the discussions regarding the position of the Allied Missions accredited to the Control Commission in Berlin.

I have etc.

J. E. READ
for the Secretary of State
for External Affairs

731. DEA/7-CA-2

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1208 London, April 27, 1945

TOP SECRET. Your despatch No 609 of April 20th. Allied Missions in Berlin.

1. United Kingdom representative on European Advisory Commission is circulating tomorrow to other members proposal that when major Powers issue public statement to effect that they will consult with Governments of other United Nations (see Article 9 of European Advisory Commission report of November 17th[94] enclosed with despatch Circular D. 161 of November 25th[†]), they should at the same time announce invitation to certain United Nations to establish Missions in Berlin. Those invited would be Commonwealth countries, European Allies, China and Brazil. Copy of this draft[†] will be sent to Ottawa.

2. It is hope of United Kingdom that, in view of the fact that the establishment of Allied Missions was accepted in principle by other members, there will be no great difficulty in securing acceptance of their proposal. It is the opinion of the Foreign Office that Canadian Government might safely proceed with plans for a Military Mission which may include civilian members.

[94] La date était en effet le 14. Voir États-Unis, *Foreign Relations of the United States*, 1944, volume I, Washington, U.S. Government Printing Office, 1966, pp. 404-6.
The date was in fact the 14th. See United States, *Foreign Relations of the United States*, 1944, Volume I, Washington, U.S. Government Printing Office, 1966, pp. 404-6.

3. It is improbable that such a Mission could be established until the Control Commission takes over from S.H.A.E.F., and S.H.A.E.F. is to retain control until organised resistance is ended. A purely unofficial Foreign Office guess as to when a Mission might be established was August.

4. Further information will be sent to you if and when it is obtainable.

732. DEA/7-CA-1

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 804 London, May 11, 1945

SECRET. Repeated United Kingdom delegation, San Francisco, No. 154. My despatch November 25th, 1944, Circular D. 161.[†]

United Kingdom representative on European Advisory Commission has proposed to Commission that public statement by four Governments, recommended by Commission in connection with Article 8 of Control Machinery Agreement, should be in following terms, Begins:

Under Article 12 of the Instrument of Unconditional Surrender of Germany, the United Kingdom, the United States of America, the Union of Soviet Socialist Republics and France possess supreme authority with respect to Germany. The Governments of the four Powers hereby announce that it is their intention to consult with the Governments of other United Nations in connection with the exercise of this authority. Ends.

2. He has also proposed that a similar statement *mutatis mutandis* should be made by the four Powers at the time of issue of an Allied declaration (my despatch of April 10th, Circular D. 56)[†] if such a declaration is issued instead of instrument contemplated by E.A.C. being signed.

733. DEA/7-Es

Le secrétaire d'État par intérim aux Affaires extérieures à la délégation à la conférence des Nations Unies sur l'organisation internationale, San Francisco

Acting Secretary of State for External Affairs to Delegation to the United Nations Conference on International Organization, San Francisco

TELEGRAM D-181 Ottawa, May 12, 1945

SECRET. With reference to the telegram from the Dominions Office, Circular D. 804, May 11th. Proposed statement in connection with control machinery agreement.

My immediately following telegram[†] repeats telegram No. 1208 from High Commissioner, London, dated April 27th.

With reference to D.O. telegram, para. 2, may we have instructions on any steps to be taken with regard to establishment of Canadian military mission to Berlin.

In our view statement proposed in D.O. telegram under reference would require no material change in Canadian Government's proposed statement regarding Allied declaration.[95] We presume, however, that it might be necessary to add a reference to future consultation of Canada in regard to the exercise of authority in Germany by the four Great Powers.

734. DEA/7-CA-2s

Le secrétaire d'État aux Affaires extérieures au secrétaire d'État par intérim aux Affaires extérieures

Secretary of State for External Affairs to Acting Secretary of State for External Affairs

TELEGRAM H-173 San Francisco, May 14, 1945

Your telegram D-181 of May 12th, alleged [Allied?] declaration and statement regarding control machinery agreement.

I agree that the statement proposed in the Dominions Office telegram under reference requires no change in the Canadian Government's proposed statement regarding the Allied declaration. I further consider that it might be as well not, repeat not, to include in the Canadian statement a reference to the future consultation of Canada in regard to the exercise of authority in Germany by the four Great Powers. In the first place, it seems quite probable, in view of the Soviet attitude on the European Advisory Commission up to date, that the United Kingdom representative may not be able to carry the reference to consultation with the Governments of other United Nations proposed in Circular D. 804. Even if a statement is issued, such consultation may be expected to be of a purely formal character. Moreover, in the light of the considerations put forward in the third paragraph of telegram D-78 of April 30th[96], we do not think it wise to convey to the Canadian public the impression that Canada will be sharing in the government of Germany by the Great Powers when, in fact, this will not be the case. For these reasons we think it would be advisable to omit reference to the future consultation of Canada in the Canadian declaration.

With regard to the establishment of a Canadian Military Mission in Berlin, it would appear that announcement of Canadian policy can wait announcement by the four Powers of invitations to establish such Mission. I shall let you know of any steps contemplated in connection with setting up such a Mission.

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[95] Voir le documents 700 et 701.
See Documents 700 and 701.

[96] Document 699.

735. PCO

Extrait du procès-verbal du Comité spécial du Cabinet

Extract from Minutes of Special Cabinet Committee

SECRET Ottawa, May 16, 1945

ARMY; PARTICIPATION IN BRITISH ELEMENT OF CONTROL COMMISSION - BERLIN AND AUSTRIA

24. THE SECRETARY reported that the Army sought authority for the retention by the United Kingdom, on loan, of nine Canadian officers and their continued employment with the British elements of the Control Commission in Berlin and Austria.

The employment of Canadian personnel with the British elements of the Control Commission in Berlin and Austria, except as a responsibility of the United Kingdom, was contrary to government policy as established by War Committee at their meeting of November 9th, 1944. The personnel in question, because of their special qualifications, had been selected prior to that date and their withdrawal at this time would, it was represented, seriously affect the efficiency of the Control organizations. On the other hand, their transfer to the British Army would be unacceptable to the individuals concerned because of the lower rates of pay involved.

Consequently, the Chief of the General Staff had recommended, with the concurrence of the Minister of National Defence, that the continued employment in their present capacities of the specified personnel be considered as a special case and that they remain a responsibility of the Canadian government while so employed.

(Army memorandum, Summary to Cabinet War Committee, May 7, 1945).†

25. THE COMMITTEE, after discussion approved the recommendation submitted, it being understood that the duration of the loan of these officers would be related to the period of service of the occupation forces and be subject, in individual cases, to demobilization arrangements.

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736. DEA/7-CA-2s

Le chef de l'état-major général au sous-secrétaire d'État aux Affaires extérieures

Chief of the General Staff to Under-Secretary of State for External Affairs

SECRET Ottawa, July 5, 1945

Dear Mr. Robertson,

During my recent trip to England, I discussed a proposal to send to Germany a small Canadian military liaison section to be attached to the HQ of the Control Commission (British Element) for Germany, when that Commission became established there.

A message† has now been received advising that the HQ Control Commission will close in London on 11 July and open in the British Zone on the same date. A decision is therefore urgently required as to whether or not such a liaison section will be authorized. It is understood that the United Kingdom would welcome its establishment.

The functions of this section would be to provide continuity and to submit reports on developments pending final decisions on the setting up of a Canadian Mission in Germany. You will recall that in the PHP paper "Control Commission for Europe—Canadian Participation," the sending of a Canadian Mission to Berlin that would probably be headed in the first instance by an officer of one of the Services, was approved in principle. The establishment of a liaison section would appear to be a logical development and should facilitate the eventual setting up of a Mission, if it is finally decided to do so.

Before taking any action on this question, I would, however, appreciate having your views.

J. C. MURCHIE
Lieutenant-General

737. DEA/7-CA-2s

Le sous-secrétaire d'État aux Affaires extérieures au chef de l'état-major général

Under-Secretary of State for External Affairs to Chief of the General Staff

SECRET Ottawa, July 10, 1945

Dear General Murchie,

I am writing in reply to your letter of July 5th regarding a proposal to send a small Canadian military liaison section to be attached to the Control Commission (British Element) for Germany when this Commission is established in Germany.

You will recall that my letter of February 26th† explained how the question of the appointment of a Canadian military mission arose. Under Article 8 of the Agreement on the control machinery for Germany between the Governments of the United Kingdom, United States and the Soviet Union, with which France was later associated, military missions are to provide the "necessary consultation" between the Control Council (representing the four big powers) and the Governments of other United Nations.

The purpose of a Canadian military mission, therefore, would be to establish the necessary liaison between the Canadian Government and the Control Council, as well as to conduct in Germany business of the type normally

discharged by any Canadian diplomatic mission. Such a mission would, therefore, not be associated with any particular national element of the Control Commission, but would be accredited to the Control Council which is the supreme body responsible for the Allied military government of Germany.

It seems to me that the establishment of a Canadian military liaison Section attached to the British Element might give the impression that Canada was sharing with the Government of the United Kingdom effective responsibility for the control of the country, which would not in fact be the case, and might somewhat prejudice the position of a Canadian military mission charged with liaison with the Control Council as a whole.

The appointment of a Canadian military mission must await an invitation from the Governments of the four Powers to establish military missions in accordance with Article 8 of the draft agreement on control machinery; no such approach has so far been made to the Canadian Government.

I am therefore inclined to think that in the circumstances it would not be desirable to proceed with any action to establish a military liaison section attached to the headquarters of the British Element of the Control Commission along the lines suggested in your letter. I assume that the necessary military liaison duties arising from the participation of Canadian forces in the occupation of Germany do not require action of the type that you suggest.

Yours sincerely,

N. A. ROBERTSON

738. DEA/7-CA-9s

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2739 London, September 21, 1945

SECRET. My telegram No. 2331, August 17th,[†] Canadian Military Mission in Berlin. We have now received formal communication from the Secretary of State for Dominion Affairs[†] stating that in view of the interval which may elapse before Allied Military Missions can be established in Berlin, the United Kingdom have been considering the possibility of making interim arrangements of an unofficial character whereby certain Allied nations with important interests in the British zone of occupation should be enabled to establish liaison officers there on an informal and temporary basis, with the object of safeguarding their nations' interests in that part of Germany. It has now been ascertained that the British military authorities would be prepared to receive parties of Allied representatives in the British zone for this purpose. Accordingly, the Canadian Government is now invited, if they so desire, to send representatives to the British zone with this end in view.

2. Lord Addison makes it clear that, owing to difficulties of accommodation, such representations would have to be on a limited scale, and whilst food and fuel (including petrol) would be provided against payment by the British military authorities, the latter's work would be greatly facilitated if the Canadian representatives could bring with them their own transport. It would also be necessary for the Canadian Government to furnish, in advance, details of the staff they wish to send, indicating the number and status of the officers and other ranks, as well as the place to which they would wish to send them.

3. The United Kingdom Government would be ready to consider the appointment of Missions in more than one locality, if satisfactory evidence of the need for so doing could be produced.

4. Similar invitations are being sent to Australia, New Zealand, South Africa, India, Belgium, The Netherlands, Norway, Luxembourg and Denmark.

5. I should be grateful for your instructions as to the reply which should be sent to this invitation.

739. DEA/7-CA-9s

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2265 Ottawa, September 28, 1945

SECRET. Your telegram 2739 of September 21st, Canadian Military Mission in Germany.

You may reply to Secretary of State for Dominion Affairs in the following terms, Begins: The Canadian Government appreciates the opportunity afforded by the Government of the United Kingdom of making interim arrangements, on an informal basis, to protect Canadian interests in the British zones of occupation in Germany, pending the conclusion of a general agreement between the four Governments on the Control Council for Germany for the establishment of Military Missions by certain Allied Governments.

The Canadian Government considers that under the quadripartite arrangements for the control of Germany the most satisfactory representation during the occupation period would be afforded by a Canadian Mission accredited to the Control Council. Meanwhile we are glad to avail ourselves of the interim arrangements suggested by the United Kingdom Government.

The interim Canadian Mission, which will be headed by a General Officer will be predominantly of a military character, but would include two or three civil officials who, if necessary, could be given, temporarily, military rank. We shall, in due course, supply the United Kingdom Government with detailed information regarding the personnel of the Mission, and the arrangements which we propose to make with regard to its location, as well as its accommodation, maintenance, transport, etc.

As the effective protection of Canadian interests in Germany will require that Canadian representatives should be able to move as freely as possible throughout Germany, we are giving thought to the question of approaching the other occupying Powers with a view to obtaining appropriate facilities for this purpose. Ends.

For your information, urgent questions arising out of Canadian nationals and assets in Germany, as well as the reparations problem,[97] make it essential that the interested Canadian Government Departments should have representatives in Germany as soon as possible. We shall be cabling you shortly on the details of personnel involved.

740. DEA/7-CA-9s

Décret en Conseil

Order in Council

P.C. 6500 Ottawa, October 12, 1945

The Committee of the Privy Council have had before them a report, dated 11th October, 1945, from the Acting Secretary of State for External Affairs representing:

(a) That, in view of the establishment of military government in Germany, it is expedient to organize a Canadian military mission for the purpose of protecting and maintaining Canadian interests in Germany in military and civil matters;

(b) That it is not possible immediately to establish a military mission accredited to the Allied Control Authority; but that, pending negotiations for such purpose, the Government of the United Kingdom has approved the making of an interim arrangement whereby a Canadian liaison mission may be established in that part of Germany which is in the occupation of forces under United Kingdom command, and which may be hereinafter referred to as the British zone;

(c) That it is expedient that a Canadian military mission, organized in accordance with the interim arrangement referred to above, should be enabled to establish later such relationships as may be necessary to protect and maintain Canadian interests in military and civil matters, within the United States, the French and the Soviet zones, and ultimately to be accredited to the Allied Control Authority.

The Committee, therefore, on the recommendation of the Acting Secretary of State for External Affairs (concurred in by the Minister of National Defence) advise:

(1) That the Minister of National Defence, with the co-operation of the Secretary of State for External Affairs, organize a military mission with authority to protect and maintain Canadian interests in military and civil

[97] Voir les documents 875-82.
See Documents 875-82.

matters within Germany and to do such other things as may be referred to it by the Minister of National Defence or the Secretary of State for External Affairs in military or civil matters respectively;

(2) That the military mission thus established function in the first instance as an interim liaison mission to operate within the British zone for the purpose of protecting and maintaining Canadian interests in military and civil matters arising therein;

(3) That the Minister of National Defence and Secretary of State for External Affairs may authorize the military mission to establish such relationships as may be necessary to protect and maintain Canadian interests in military and civil matters within the United States, French and Soviet zones, and ultimately may provide for the accrediting of the military mission to the Allied Control Authority;

(4) That the organization and establishment of the interim liaison mission be the responsibility of the Minister of National Defence;

(5) That the normal channels of communication be between the Minister of National Defence and the military mission in military matters and between the Secretary of State for External Affairs and the military mission in civil matters generally, and between the Secretary of State of Canada and the military mission in special matters relating to the Office of the Custodian of Enemy Property;

(6) That Lieutenant-General Maurice Pope be named as the head of the Canadian military mission;

(7) That the personnel necessary for carrying out the work of the military mission be provided by the Departments of National Defence, External Affairs and the Secretary of State of Canada and by such other Departments as may be deemed expedient in order to enable the military mission to perform its functions.

A. D. P. HEENEY

741. DEA/7-CA-9s

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2969 London, October 12, 1945

SECRET. Following for Wrong from Robertson, Begins: Canada House has not yet received word from the Dominions Office about accrediting of military missions in Germany but Foreign Office telegram from the Political Adviser to the Commander-in-Chief,† Germany, copy of which was sent to the Prime Minister for his personal information, states that the Coordinating Committee of the Allied Control Council has agreed to receive such missions. Presumably formal intergovernmental confirmation will follow shortly.

2. Prime Minister has approved appointment of Pope to head the Military Mission and had previously approved of his designation as Lieutenant-General on such appointment. Think, therefore, arrangements should be made for him to come to London as soon as convenient. Morley Scott[98] will be senior civilian member of the Mission and McPherson[99] should be attached to it in whatever capacity seems most appropriate in Ottawa. Pope can arrange with C.M.H.Q. for the seconding of military personnel required for staff of Mission. Ends.

742. DEA/7-CA-9s

L'ambassadeur des États-Unis au secrétaire d'État par intérim aux Affaires extérieures

Ambassador of United States to Acting Secretary of State for External Affairs

Note No. 384 Ottawa, October 17, 1945

Sir,

Acting under instructions from my Government and on its behalf, I have the honor to notify you that, pursuant to Article V of the statement issued on June 5, 1945, by the Governments of the United States of America, Union of Soviet Socialist Republics, United Kingdom and France on control machinery in Germany,[100] the Allied Control Council for Germany is now prepared to accept an application from the Canadian Government to send a military mission to the Allied Control Council.

The mission will be permitted to come to Berlin under the following eight conditions:

(1) That each Allied Government whose application to accredit a military mission is accepted should be free to decide the composition of its own mission, but that the number of nationals of all ranks belonging to each mission should be limited to ten. This would not preclude the employment of a reasonable number of locally engaged domestic staff.

(2) That it would be possible to find accommodation in Berlin for sixteen missions provided that they are limited to ten members plus a reasonable number of locally engaged domestic staff. Houses and offices could be located for at least four such missions in each sector of Berlin, but as no suitable undamaged houses or offices are at present available, it will take some time for the necessary repairs to be effected.

(3) That each Government accrediting a mission should be asked to send one representative to Berlin immediately to investigate the accommodation available and to make all necessary arrangements with the visitors and

[98] Attaché, le haut commissariat en Grande-Bretagne.
Attaché, High Commission in Great Britain.

[99] Adjoint exécutif, le bureau du séquestre des biens ennemis.
Executive Assistant, Office of the Custodian.

[100] Voir Canada, *Recueil des traités*, 1945, N° 16.
See Canada, *Treaty Series*, 1945, No. 16.

administration section of the Allied Control authority for the arrival of his mission.

(4) That the members of these missions, while present in any zone or sector of occupation, will enjoy the same privileges and immunities from the jurisdiction of German courts, the imposition of German taxes, or the acts of German authorities as members of the Allied Control Staffs. All members of these missions, both military and civil, will be subject to the military or military government laws made applicable by each zone or sector commander for members of the Allied Control Staffs.

(5) That these missions should enjoy freedom of movement within the greater Berlin area and, by agreement with the Commander in Chief concerned, within zones.

(6) That such missions would have the right to communicate with their governments by bag and cypher.

(7) That each Government accrediting a mission should be asked to provide its members with all transport they require.

(8) That the Allied Military authorities in each sector should supply the members of these missions accredited in their sector with rations, currency (Allied Military Marks), petrol and oil against repayment.

Accept etc.

RAY ATHERTON

743. DEA/7-CA-2s

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2460 Ottawa, October 19, 1945

TOP SECRET. Following for Robertson from Wrong and Heeney.

1. This week, a special Cabinet committee on defence questions, including Mr. Abbott, Mr. Gibson, and Mr. St. Laurent, gave consideration to proposals which have recently been made to the Minister of National Defence for Air by the U.K. High Commissioner concerning continued participation by R.C.A.F. squadrons in the European occupation force.

2. Mr. MacDonald has sought a clarification of the Canadian position so that British planning can proceed upon correct assumptions. In this connection, you will recall that our commitment, both as to Army and Air Force, was made subject to review before the end of the current fiscal year. In January, 1945, the government had agreed to provide eleven squadrons for the occupation force—four heavy bomber, four day fighter and three medium range

transport.[101] Last July, the Cabinet, in authorizing additional commitments for the Pacific, agreed to the reduction of the heavy bomber element in Europe to two instead of four squadrons.[102]

3. The United Kingdom now asked that consideration be given to the adoption of one of the following courses:

(a) that four heavy bomber and four day fighter squadrons should remain available at least until the end of June, 1946, and that, in addition, three medium range transport squadrons should be available until the end of 1945; or,

(b) that four day fighter, two heavy bomber and two medium range transport squadrons should remain available at least until the end of June, 1946, and that, in addition, a third medium range transport squadron should be available until the end of 1945.

4. After discussing the position, the Cabinet committee agreed:

(a) that the request of the U.K. government should be considered in relation to the general policy to be adopted with respect to Army and Air Force in the occupation of Europe after March 31st, 1946;

(b) that the second alternative suggested by the U.K. High Commissioner with respect to R.C.A.F. participation appeared to be preferable;

(c) that it was desirable that plans should be made for the reduction of participation by Canadian forces in occupation duties after March 31st, 1946, and for the progressive return of Canadian personnel as rapidly as might prove feasible after that date;

(d) that in order to permit planning by the Services to be initiated without delay, policy decisions in respect of the occupation commitments should be taken at the earliest possible date.

4. The Cabinet committee directed us to communicate their views to the Prime Minister in London, in case the matter of Canadian participation in occupation duties is under discussion there with U.K. authorities. Meantime, the Cabinet are not being asked to make any decision upon the U.K. High Commissioner's request and no action will be taken pending a reply from you.

5. You will, no doubt, be aware that the shipping position for repatriation is very substantially improved. Indeed it would be possible under present indications to begin to move home our occupation force soon after the beginning of April, unless there are policy reasons for continuing the commitment at the present scale. In this connection, the Cabinet committee felt quite strongly that the Canadian contribution should be able to be reduced progressively as the forces of European allies were organized and stengthened to take the place of our troops.

6. We would be grateful for an early reply to this message. Ends.

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[101] Voir le document 721.
See Document 721.
[102] Voir le document 441.
See Document 441.

744. DEA/7-CA-9s

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2471 Ottawa, October 20,1945

Your telegrams No. 3019 and No. 3020 of October 17th.† We received on October 17th a similar invitation transmitted through the United States Ambassador, to which we are returning the following reply:

"With reference to your Note No. 384 of October 17th, the Canadian Government at the time took note of the statement issued on June 5th, 1945, by the Governments of the United States of America, the United Kingdom, the Union of Soviet Socialist Republics and France on the subject of control machinery in Germany, to the effect that 'liaison with the other United Nations Governments chiefly interested will be established through the appointment by such Governments of Military Missions (which may include civilian members) to the Control Council'. It is the desire of the Canadian Government to establish a Military Mission to the Allied Control Council in Germany as soon as possible.

Note has been taken of the conditions under which the Mission is invited to come to Berlin."

Please reply on the same lines to Dominions Office. We expect to issue announcement early next week.[103]

745. DEA/7-CA-2s

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3232 London, November 3, 1945

TOP SECRET AND PERSONAL. Following for Heeney and Wrong from Robertson, Begins: Your telegrams Nos. 2460 and 2554.† The question of our occupation commitments in Germany did not arise in any conversation I had with United Kingdom officials. I felt that in the light of what has been our general attitude, the initiative in raising the matter should be left to them. I shall not have an opportunity before leaving London of ascertaining whether the Prime Minister had any word on this subject with Attlee and Addison whom he did see yesterday afternoon. I should, however, be surprised if their

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[103] Voir Canada, Chambre des Communes, *Débats*, 1945, deuxième session, volume II, pp. 1476-7. See Canada, House of Commons, *Debates*, 1945, Second Session, Volume II, pp. 1439-40.

conversations, which were general in character, dealt with the scope and terms of our occupation commitments. Ends.

746. DEA/7-CA-9s

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 3421 London, November 21, 1945

Allied Council for Austria have agreed in principle that Military Missions of other United Nations should now be accepted in accordance with Agreement on Control Machinery.[104] (See Dominions Office telegram Circular D. 1368 of August 3rd).[†]

2. In view of practical difficulties concerning accommodation, fuel, etc., in Vienna, Council have decided that each application for accrediting of a Mission should be examined separately.

3. Applications have already been addressed to Council by Yugoslavia and Czechoslovakia and have been accepted by the Council. The Czechs have proposed a civilian as Head of the Mission and no objection is being made to this proposal.

4. Dominions Secretary states that if Canada wishes to accredit a Military Mission to the Allied Council for Austria, United Kingdom would be glad to communicate their wishes to the Council. Similar invitations are being sent to other Commonwealth Governments.

5. The resolution of the Council contains certain provisions which are generally in accordance with the understandings in connection with the provisions for the Military Missions in Berlin, including the limitation to ten members.

6. Dominions Office have let us know informally that if you wish to accredit the Military Mission in Berlin to the Allied Council for Austria they are not aware of any objection to this course, although the decision will, of course, rest with the Allied Council.

7. Copies of communications from Dominions Office will be sent by next bag.

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[104]Voir États-Unis, *Foreign Relations of the United States. The Conference of Berlin (The Potsdam Conference), 1945.* volume 1, Washington, U.S. Government Printing Office, 1960, pp. 351-5.
See United States, *Foreign Relations of the United States. The Conference of Berlin (The Potsdam Conference), 1945.* Volume 1, Washington, U.S. Government Printing Office, 1960, pp. 351-5.

747. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET Ottawa, November 29, 1945

...

ARMED FORCES; EXTENT AND DURATION OF EUROPEAN OCCUPATION

16. THE PRIME MINISTER, referring to the discussion at the meeting of November 22nd, enquired as to the position respecting the Army occupation force.

So far as the Air Force was concerned, the U.K. government had suggested the extension of the present commitment to the end of June.

17. THE MINISTER OF NATIONAL DEFENCE FOR AIR observed that available shipping was a limitation upon the rate of repatriation. Air Force personnel to the numbers required for the suggested additional commitment would, in any event, have to remain in Europe until June.

In the circumstances, it was recommended that approval be given to the employment in occupation duty to June 30th of the R.C.A.F. squadrons involved. This had been the recommendation of the Cabinet Defence Committee. It should be made quite definite, however, that no further extension of the Canadian commitment would be made.

18. THE MINISTER OF NATIONAL DEFENCE reported that the extent and duration of the commitment for the Army occupation force had been the subject of examination by the Staff. The question would be considered in a preliminary way by the Cabinet Defence Committee at their next meeting and, thereafter, would be the subject of a report to the Cabinet.

19. THE MINISTER OF MUNITIONS AND SUPPLY referred to the difficult problem which would be presented in the disposal of surplus equipment when the Army occupation force left the Continent of Europe.

20. THE CABINET, after further discussion, approved Mr. Gibson's recommendation as the basis of a reply to the U.K. government, on the understanding that Air Force responsibilities for European occupation would terminate on June 30th, and noted that the question of Army participation would be ready for discussion at an early meeting.

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748. DEA/7-CA-2s

Le ministre de la Défense nationale pour l'Air au haut commissaire de Grande-Bretagne

Minister of National Defence for Air to High Commissioner of Great Britain

TOP SECRET Ottawa, December 5, 1945

Dear Mr. MacDonald,

With reference to the Top Secret Aide Mémoire† which you left with me in October concerning an extension of the R.C.A.F.'s commitment in the Occupational Force in Europe,[105] I am glad to inform you that this matter has now been considered in Council.

I am authorized to inform you that it has been approved that 4 Day Fighter, 2 Heavy Bomber, and 2 Medium Range Transport Squadrons shall remain available until the end of June, 1946, and that in addition a third Medium Range Transport Squadron shall be available until the end of March, 1946, on the understanding that ten aircraft of this squadron be allotted to provide air transport requirements for Canadian Armed Forces in Europe.

It will be noticed that the request asked an extension until at least the end of June, 1946, and in the authorization the words "at least" have been removed. The Canadian government wishes it to be distinctly understood that the extension asked for has been authorized on the understanding that no further extension will be asked for or authorized.

Yours sincerely,

COLIN GIBSON

749. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, December 5, 1945

...

ARMY; EXTENT AND DURATION OF EUROPEAN OCCUPATION COMMITMENT

1. THE MINISTER OF NATIONAL DEFENCE submitted a memorandum which had been considered the previous day at a meeting of the Cabinet Defence Committee.

The memorandum set out three possible courses which might be followed, namely, progressive withdrawal of the occupation force upon repatriation of

[105] Voir le document 743.
See Document 743.

the remainder of the Army, continuation of occupation duties to March 31st, 1947, and continuation beyond that date.

From the Army point of view, the maintenance of Canadian forces in Europe after April 1st, next, would involve serious administrative difficulties, particularly with respect to replacement of personnel. On the other hand, if the government were to adopt the principle of progressive withdrawals beginning in April next, as suggested in an appendix to the memorandum submitted, these difficulties would not arise. Subject to the availability of shipping and certain other variable factors, it was estimated that such a programme would permit of the repatriation of all Army personnel, including those engaged in administration, by the end of 1946.

(Minister's memorandum to the Cabinet and appendix, Nov. 23, 1945—Cabinet Document D-22).†

2. THE SECRETARY reported that, having considered the memorandum submitted by the Minister, the Cabinet Defence Committee, at the meeting of December 4th, had agreed to recommend to the Cabinet as follows:

(1) that the Canadian Army Occupation Force be withdrawn as soon as the repatriation of the remainder of the Canadian Army overseas was completed and that authority be given to proceed with plans for progressive withdrawals on the basis of the appendix attached to the memorandum submitted by the Minister; this appendix provided for the commencement of movements of C.A.O.F. personnel from the Continent in April, 1946, and for successive drafts on an orderly schedule which was subject to modification in relation to shipping and other factors;

(2) that the U.K. government be informed immediately that plans were being made to the above effect;

(3) that the communication to the U.K. government include reference to the decision taken by the Cabinet on November 29th, 1945, concerning the extension of the R.C.A.F. occupation commitment to June 30th, 1946, and to its termination on that date;

(4) that the Canadian High Commissioner in the United Kingdom and the Chief of Staff C.M.H.Q. Overseas be fully informed of the considerations leading to the above decisions, with particular reference to the administrative and other difficulties inherent in the maintenance of the Canadian Army Occupation Force for any longer period.

3. THE MINISTER OF RECONSTRUCTION stated that the disposition of large quantities of Army equipment remaining abroad, particularly in Holland, was causing concern. Representatives of the Department of Reconstruction were visiting Europe to discuss the problem with Army authorities, but it was difficult to see what adequate measures could be taken upon the withdrawal of Canadian forces.

4. MR. ABBOTT said that the Army would co-operate as far as possible with authorities in charge of disposal of surplus equipment. While it would not be possible to delay the withdrawal of formations from Holland, it might be feasible to maintain a limited number of special personnel for a short time to

safeguard supplies pending their ultimate disposition. The Chief of Staff, C.M.H.Q. would be instructed to do everything possible in co-operation with Reconstruction representatives.

5. The Cabinet, after further discussion:

(1) approved the recommendations of the Cabinet Defence Committee concerning the termination of Army occupation duties in Germany and, subject to the concurrence of the Prime Minister, agreed that a message to that effect be communicated immediately to the U.K. government;

(2) noted the report of the Minister of Reconstruction with regard to military equipment in Europe and that the Departments of National Defence and Reconstruction would co-operate in every way possible to prevent undue waste.

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750. DEA/7-CA-9s

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en France

Secretary of State for External Affairs to Ambassador in France

TELEGRAM 586 Ottawa, December 5, 1945

SECRET. Following for General Pope, Begins: We understand that copies of letters from Dominions Office, proposing the accrediting of Canadian Military Mission to Allied Council for Austria, have been sent to you from Canada House. These proposals have been considered by the Chiefs of Staff Committee and also by Department of Secretary of State. Both favour acceptance of proposal. Before replying to United Kingdom Government we would appreciate your views on the possibility of extending your responsibilities to cover Austria. It is likely you will not be able to give the matter your consideration until you reach Berlin and United Kingdom authorities are meanwhile being informed accordingly. Ends.

751. DEA/7-CA-9s

L'ambassadeur en France au secrétaire d'État aux Affaires extérieures

Ambassador in France to Secretary of State for External Affairs

TELEGRAM 695 Paris, December 7, 1945

SECRET. Following from Pope, Begins: No. 6 Military Mission, Berlin. Your telegram No. 586 of December 5th.

Am in possession of papers. As you surmise, it is difficult to make a firm appreciation at this stage. Extent of our need, if any, for representation in Austria is unknown to me. If of minor proportions, reasons for economy would

seem to point to advisability of extending scope of our Berlin Mission so as to include Vienna. On the other hand limitation as to strength of the Mission to Germany, together with chaotic situation of central Europe, might make it difficult for the Mission now being set up, effectively to operate so far afield. Presume idea of setting up separate Mission not under contemplation. Had understood Austrian matters were now being dealt with by or through Canada House. In the circumstances, would suggest reasonable course would be to let things remain as they are, at least for the time being. Ends.

752.

DEA/7-CA-2s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 265

Ottawa, December 8, 1945

SECRET. Canadian occupation forces.

1. In our telegram No. 9 of January 9, 1945, concerning the provision of Canadian Army and Air Forces for occupation duty in Germany we stated that it would be necessary for us to review before the end of the present fiscal year the Canadian commitment to provide one Army occupation group of approximately 25,000 and eleven R.C.A.F. squadrons.

2. The Cabinet have now given careful consideration to full reports on the subject submitted by our Chiefs of Staff.† These reports have emphasized the serious administrative problems that are involved in maintaining comparatively small forces at so great a distance from Canada.

3. On the basis of the shipping estimated as likely to be available, it is now probable that the Canadian Army overseas, except for the occupation force and administrative staffs, will have been repatriated to Canada by March or April of next year. Until this movement is completed the occupation force can be maintained at full strength without substantial departure from established repatriation priorities and without encountering serious problems with respect to replacements. After that time, however, the retention in Europe of the whole occupation force would create administrative difficulties out of all proportion to the numbers involved. We would, furthermore, expect that by then some of the European Allies should be in a position to make a larger contribution to the forces which will continue to be required in the British zone in Germany.

4. The government have, therefore, decided that, beginning in April next, the Canadian Army occupation force should be progressively reduced on a schedule which would provide for its withdrawal by stages with the object of completing movements from the Continent before the end of next summer and repatriating all Canadian Army personnel now overseas by the autumn of 1946.

5. Accordingly, the Staff have been instructed to proceed with plans for the movement of the occupation force to Canada via the United Kingdom and to work out these arrangements in such a way as to permit of the orderly release

of Canadian formations in consultation with United Kingdom military authorities.

6. With respect to R.C.A.F. units engaged in occupation duties, the government have now authorized the extension until June 30, 1946, of the commitment to provide a number of Canadian squadrons, in accordance with a request communicated to us through the United Kingdom High Commissioner here. It is understood, however, that no R.C.A.F. squadrons will be available for occupation duties after that date and that the personnel concerned will then be repatriated to Canada in accordance with arrangements to be made by our Air Staff in consultation with the Air Ministry.

7. We were anxious that you should have notice of these plans as far in advance as possible in order to assist you in your own planning and in order to permit the necessary detailed arrangements between our respective Staffs to be worked out jointly in advance.

753. DEA/7-CA-9s

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs
to Ambassador in France

TELEGRAM 606 Ottawa, December 17, 1945

Following for General Pope, Begins: Your telegram No. 6 of December 7th. We fully agree that no decision can yet be taken on extension of scope of your mission to Austria. See copy of our despatch 2172 of December 5th to High Commissioner in London.†

2. With regard to staff of mission, we have thought that Scott would require an assistant on consular side and that before long another assistant to assist in general reporting would be needed. In view of information given in your telegram No. 3 of November 19th† we shall take no action to post further External Affairs officers to the mission until we receive a request from you. Ends.

PARTIE 4/PART 4

RÈGLEMENTS AVEC D'AUTRES PAYS EUROPÉENS
SETTLEMENTS WITH OTHER EUROPEAN COUNTRIES

SECTION A

FINLANDE/FINLAND

754. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 255 London, February 21, 1944

MOST IMMEDIATE. MOST SECRET. Soviet Ambassador on February 19th, communicated to Foreign Office aide-mémoire regarding desire of Finnish Government to sue for armistice. Text of aide-mémoire† and of proposed Russian armistice terms are contained in my two following telegrams and my third following telegram contains text of reply which we have returned to Soviet Ambassador.

Please telegraph most urgently whether we may inform Soviet Ambassador that Dominion Governments are in agreement with our reply. Ends.

755. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 257 London, February 21, 1944

MOST IMMEDIATE. MOST SECRET. Following is text of proposed Russian armistice terms, Begins:

1. Rupture of relations with Germany and internment of German troops by Finnish own forces, or if it is required with the help of Soviet troops.

2. Re-establishment of 1940 Treaty[106] and withdrawal of Finnish troops to 1940 frontiers.

3. Repatriation of Soviet prisoners of war and interned Soviet citizens.

4. We leave open so far question of demobilization of Finnish Army, the restitution of war damages and certain other questions till negotiations in Moscow.

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[106] Voir Varino Tanner, ***The Winter War: Finland Against Russia, 1939-1940***. Stanford, Stanford University Press, 1957, pp. 263-7.
See Varino Tanner, ***The Winter War: Finland Against Russia, 1939-1940***. Stanford, Stanford University Press, 1957, pp. 263-7.

The Soviet Government expressed hope that there will be no objection to above said terms on the part of the British Government. Ends.

756. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 258 London, February 21, 1944

MOST IMMEDIATE. MOST SECRET. Following is text of United Kingdom Government's reply to Soviet Ambassador, Begins:

His Majesty's Government in the United Kingdom have considered draft terms of an armistice for Finland contained in an aide-mémoire communicated to Foreign Office by His Excellency the Soviet Ambassador on February 20th.

In first Article, His Majesty's Government would be glad to see words "and shipping" inserted between words "German troops" and "by Finnish own forces."

In third Article, they would be glad to see words "and Allied" inserted after word "Soviet" in both places where it occurs.

Subject to above suggestions, His Majesty's Government concur in terms of Soviet Government's draft. They would be glad to be associated with Soviet Government in signature of the armistice and in negotiations referred in paragraph four.

The Soviet Government will be aware that Canada, Australia, New Zealand and the Union of South Africa are also at war with Finland. The Soviet Government's draft and His Majesty's Government's suggestions are being communicated urgently to above mentioned Dominion Governments. Ends.

757. DEA/48s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 25 Ottawa, February 21, 1944

MOST IMMEDIATE. MOST SECRET. Your telegram D.255 February 21. We concur in your reply to Soviet Government on Armistice terms for Finland.

If Armistice is signed in Moscow by civil representatives of Soviet and United Kingdom Governments we should prefer that Canadian Minister sign on behalf of Canada. If, however, it is signed in Stockholm or by military representatives only, we agree that United Kingdom representative should sign also for Canada.

We are asking Canadian Minister Moscow to maintain contact with British Ambassador.

758. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 20 London, February 25, 1944

MOST SECRET. Your wishes as to signature of Finnish armistice, as stated in paragraph two of your telegram of February 21st, No. 25, have been conveyed to His Majesty's Ambassador, Moscow. As will be seen from paragraph two of my telegram Circular D. 290 of today,† we have ourselves been dealing with matter on assumption that Soviet military representative would sign for all British Commonwealth Governments concerned.

759. DEA/48s

L'ambassadeur en Union soviétique au secrétaire d'État aux Affaires extérieures

Ambassador in Soviet Union to Secretary of State for External Affairs

TELEGRAM 59 Moscow, March 1, 1944

MOST SECRET. My telegram No. 54 of February 23rd.† Soviet newspapers today published Armistice terms with Finland. In addition to points enumerated in your telegram No. 30† there is mentioned question of Petsamo which is to be left to negotiations in Moscow. If Finland agrees to accept terms Soviet Government is prepared to receive Finnish representatives in Moscow for negotiations leading to conclusion of agreement.

2. British Ambassador saw Stalin on February 28th and discussed question of Finland. Latter expressed belief that Finnish leaders, with German connivance, had sought peace expecting impossible harsh terms. This is probably the reason for Soviet decision to publish terms.

3. Stalin also told Ambassador that he saw no objection to United Kingdom participation in negotiations with Finland but thought they would only be interested in broader questions and not in such specific questions as 1940 frontier, release of prisoners and reparations. Ambassador has cabled to London for instructions.

4. No information available about probable attitude of Finnish Government or on how Armistice terms will be signed. Important point will be whether Canada should participate in negotiations in Moscow if United Kingdom participate, and if so what should be our attitude with reference to question of Petsamo.

760. **DEA/48s**

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Union soviétique

Secretary of State for External Affairs to Ambassador in Soviet Union

TELEGRAM 38 Ottawa, March 4, 1944

MOST SECRET. Your telegram No. 59 March 1st. We consider that the Canadian interest in the nickel workings at Petsamo would not warrant any claim on our part to participate in armistice negotiations with Finland in Moscow. We certainly could not employ the financial interest of a Canadian company in this area as an argument for its remaining under Finnish sovereignty.

2. The United Kingdom Government informed us on February 25th that they themselves assumed that the armistice would be signed on our side only by a Soviet military representative and that it would be made clear that he was signing for five British Commonwealth Governments as well as the U.S.S.R. This would be satisfactory to us.

3. In this connection we have just received Soviet draft terms for German surrender as presented to European Advisory Commission.[107] These provide for signature by representatives of Soviet, United States and United Kingdom Supreme Commands "hereinafter called the representatives of the Supreme Command of the Allies." In view of this we are anxious to secure in the signature of the Finnish Armistice that it is signed on behalf of Canada, whether actual signature is by yourself or by a Soviet military representative authorized to sign on our behalf.

761. **DEA/48s**

L'ambassadeur en Union soviétique au secrétaire d'État aux Affaires extérieures

Ambassador in Soviet Union to Secretary of State for External Affairs

TELEGRAM 67 Moscow, March 6, 1944

MOST SECRET. Your telegram No. 38 of March 4th. While financial interests of a Canadian company in Petsamo area could not be used as an argument for its remaining under Finnish sovereignty we should give consideration to possibility of claiming compensation in the event of that area coming under Soviet sovereignty and properties being nationalized. Swedish match and other

[107] Voir États-Unis, *Foreign Relations of the United States*. 1944, volume 1, Washington, U.S. Government Printing Office, 1966, pp. 174-9.
See United States, *Foreign Relations of the United States*. 1944, Volume 1, Washington, U.S. Government Printing Office, 1966, pp. 174-9.

interests received compensation from the Soviet Government after Baltic States were absorbed into Soviet Union.

762. DEA/48s

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Union soviétique

Secretary of State for External Affairs to Ambassador in Soviet Union

TELEGRAM 43 Ottawa, March 11, 1944

MOST SECRET. Your telegram No. 67 of March 6. I agree that we must bear in mind possibility of supporting a claim for compensation from Soviet Government in the event that Petsamo District is transferred to Russia and properties there of Inco[108] are nationalized.

763. DEA/48s

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, March 21, 1944

The Swedish Minister called on me this afternoon to enquire whether the Canadian Government had given any public indication of their attitude towards the conclusion of an armistice between Finland and the U.S.S.R. on the basis of the terms proposed by the Soviet Government. I told him that no public statement had been made by the Government on this question. As the terms had been published I informed him that we had been consulted about them at the time of their presentation to Finland and had indicated that we had no comments to offer on the Soviet proposals.

Mr. Wijkman said that he felt that the Finnish Government was ill-advised to refuse this opportunity of getting out of the war without more severe conditions. He thought that a principal reason lay in a characteristic of the Finnish people to take always an optimistic view of their own situation. This was accentuated by the severity of the Finnish censorship which prevented them from getting a realistic view of the present state of German fortunes. Many Finns were convinced that the United States would not permit them to be treated severely because of the reputation they had earned through paying interest on their war debts.

He went on to say that he thought that President Roosevelt's statement of two or three days ago urging Finland to accept the Soviet terms[109] would have a

[108] International Nickel Company of Canada Ltd.

[109] Voir États-Unis, *Department of State Bulletin*, volume 10, 18 mars 1944, p. 253.
See United States, *Department of State Bulletin*, Volume 10, March 18, 1944, p. 253.

considerable effect although it had come rather late. The King of Sweden, who very rarely commented publicly on issues of this nature, had allowed himself to be quoted in the same sense.[110] Such outside expressions of opinion would, he thought, reach the Finnish people and would help to show them that their continuation in the war would only result in worse terms for them in the end. He implied that a statement from the Canadian Government would in this view be of value in educating the Finnish people coming as it would from a distant country believed in spite of the war to be not unfriendly towards Finland and known to have no axe to grind in that area.[111]

764. DEA/48s

L'ambassadeur en Union soviétique au secrétaire d'État aux Affaires extérieures

Ambassador in Soviet Union to Secretary of State for External Affairs

TELEGRAM 84 Moscow, March 22, 1944

My telegram No. 78 of March 15th,† Soviet Government have announced that Finnish Government on March 17th rejected Soviet offer of Armistice terms and thereby have assumed responsibility for the consequences.

765. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 434 London, March 27, 1944

IMMEDIATE. MOST SECRET. My telegram Circular D. 415 of March 22nd.†

FINLAND.

So far as we can make out Soviet Government have in mind to conclude in first place an armistice with Finland for suspension of hostilities and later to proceed to a Peace Treaty. We are considering what points might in due course be suggested to Soviet Government for inclusion in Peace Treaty.

Meanwhile more urgent need is to give His Majesty's United Kingdom Ambassador at Moscow guidance as to our views on contents of an armistice. Guidance will need to cover any comments we have on six subjects which Soviet Government have already announced as their basic terms and any additional points we want to suggest for inclusion. Summary of provisional draft telegram to Moscow is in my immediately following telegram. If you have any observations we should be glad to have them as soon as possible. In view of

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[110] Voir le *New York Times* du 17 mars.
See *The New York Times* of March 17.

[111] La note suivante étaient écrite sur ce mémorandum:
The following note was written on the memorandum:
I doubt this. K[ING] 25-3-44.

development[112] described in my telegram Circular D. 437 of March 27th[†] it may become necessary to instruct His Majesty's Ambassador in the matter within next few days.

766. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 435 London, March 28, 1944

IMMEDIATE. MOST SECRET. My immediately preceding telegram. Provisional list of points to be covered in any armistice with Finland, Begins:

1. Subjects already specified by Soviet Government for discussion with the Finns.

(a) Rupture of relations with Germany. This should cover not only severance of diplomatic and consular but also abstention by Finnish Government and Finnish nationals from any financial, commercial or other intercourse with or for the benefit of Germany or German nationals from firms or persons on Statutory List.[113] Such provision should apply also to any other country at war with any of the United Nations. Property owned by nationals of Germany and any other country at war with any of the United Nations is to be placed in the hands of a custodian.

(b) Internment of German troops and ships in Finland. Object should be to ensure that German troops are effectively disarmed and prevented from taking any further part in the war. To this end we should be ready to accept any arrangements suggested by the Soviet Government. Any German or other enemy shipping should be held and handed over by Finnish authorities.

(c) Repatriation of prisoners of war, internees, etc. Any arrangements should cover any British subject.

(d) Indemnities. Our direct interest is confined to claims to damage done to British property and persons. As amount cannot be determined at present, position of British Commonwealth countries should be reserved. We have also indirect interest, because, if the Soviet Government impose heavy demands, Finland may be rendered incapable of meeting outstanding obligations to us. We may need timber, pulp and paper from Finland and it would be undesirable that all available supplies should be diverted to the Union of Soviet Socialist Republics by way of reparations.

(e) Petsamo. British interest here derives primarily from Mond Nickel Company's concession. This is United Kingdom company linked with

[112] L'arrivée d'une délégation finlandaise à Moscou.
Arrival of a Finnish delegation in Moscow.

[113] Liste préparée par le Board of Trade de Grande-Bretagne de personnes et de compagnies avec qui il était interdit de commercer selon l'Acte du commerce avec l'ennemi.
List compiled by Board of Trade of Great Britain of persons and firms with whom trade was prohibited under the Trading With the Enemy Act.

International Nickel Company of Canada. Our preliminary view (for his Majesty's Ambassador's own information) is that we should probably not (repeat not) oppose a Soviet demand, if made, for possession of Petsamo, whether in substitute for Hango (ceded under 1940 Treaty) which would probably contribute to a satisfactory settlement, or even in addition evoke 1940 arrangements. In the event of cession of Petsamo, however, it would become necessary to consider taking up with the Soviet Government question of compensation for Mond Nickel Company in respect of both concession and sums sunk in mine.

2. Any armistice with Finnish should in our view include following additional provisions.

(a) Shipping.

(i) Operational control over Finnish ships so that they can be used to the benefit of the common war effort.

(ii) Return of all United Nations shipping in Finnish hands.

(b) British property in Finland.

All such property should be returned and pending return should be preserved.

(c) Some general provision making available to Allies available exportable supplies of Finnish material products.

(d) Rights of access.

Provision should be made for transit use of Finnish territory, waters and air by British personnel, aircraft, ships and goods, and for Finnish authorities to furnish all necessary facilities.

(e) Supply of information.

Some general provision should be included placing obligation on Finns to supply information.

(f) Armistice Commission.

We expect that a Control Commission will be set up as soon as possible to supervise and execute armistice terms with provision for our participation. Ends.

767. DEA/48s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 56 Ottawa, March 31, 1944

IMMEDIATE. MOST SECRET. Your telegrams Circulars D.434 and 435. Armistice terms for Finland.

The proposed draft instructions to United Kingdom Ambassador at Moscow are entirely acceptable to us. We have the following observations to offer on particular points raised in telegram D.435:

A. Reference paragraph 1(c). We have a record of only nine Canadian citizens now in Finland.

B. Reference paragraph 1(d). Claims filed with Canadian Custodian against loss of Canadian property in Finland are small. The Custodian, however has not advertised the desirability of filing such claims, but it is unlikely that there is any considerable Canadian property interest except for nickel concession.

C. Reference paragraph 1(e). We feel that the interest of International Nickel Company of Canada in the Petsamo concession could hardly be used as an argument for the retention of this district under Finnish sovereignty. In the event of its cession to the Soviet Union, however, we would be interested in seeing that compensation was paid, both for the concession and the actual investment in the mine and plant. We have had some informal discussion with International Nickel Company over the protection of their interests in Finland. The Nickel Company has informed us that a considerable number of the shareholders in the Finnish Company have addresses in the United States.

2. If an Armistice results from these negotiations, we have already informed you of our views on method of signature in our telegram No. 25 of February 21st.

768. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 911 London, June 21, 1944

IMPORTANT. SECRET. My telegrams of April 23rd,† Circular D. 615† and Circular D. 616.

Finland.

Despite breakdown of Finnish-Russian armistice negotiations in April we felt it desirable that we should approach Soviet Government in order to have leisure to examine and agree with them terms for Finland. We had at first thought that reference to European Advisory Commission would not be practicable owing to probable Soviet objections and inability of United States representative to take part in framing terms for Finland as United States is not at war with Finland.

2. Accordingly His Majesty's United Kingdom Ambassador, Moscow, was instructed to approach Soviet Government referring to Moscow Conference decision that cases such as that of Finland should be considered by E.A.C., adding however that for practical reasons the United Kingdom Government did not wish to suggest at this stage that question of Finnish armistice terms should be so referred. Ambassador was to ask that Soviet Government should communicate to us for our consideration a complete draft of terms for Finland in form either of an armistice or of a peace treaty, or both, as Soviet Government thought best. This approach was made on May 10th but no reply has so far been received from the Soviet Government.

3. Subsequently, however, the Russians agreed to consideration by the E.A.C. of armistice terms for Bulgaria, and United States Government, whom we have consulted, have no objection to armistice or peace terms for Finland being considered by E.A.C., though they do not expect that United States representative will participate actively in formulation of the terms.

4. Meanwhile Soviet offensive in Karelian Isthmus, and developments[114] reported in my telegram Circular D. 908,† make it doubtful whether there will be opportunity for discussion at leisure in E.A.C. of surrender terms, but it makes it in our view even more desirable that there should be full discussion of these terms with Soviet Government who otherwise may present us at last moment with terms which are unduly harsh or which take insufficient account of British interests. United Kingdom Ambassador, Moscow, has accordingly been instructed to remind Soviet Government of our request for full draft terms for Finland, and to suggest that in accordance with Moscow Conference decision armistice terms should be referred to E.A.C. Ambassador will mention that United States Government have no objection to proposed discussion by E.A.C., and will add that in any case United Kingdom Government feel it would be desirable that we and Soviet Government should discuss terms urgently on basis of Soviet draft, preferably in E.A.C., but alternatively through diplomatic channel.

769. **DEA/48s**

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 107 Ottawa, June 22, 1944

SECRET. Your telegram Circular D. 911 of June 21st. Finland. Possibility of early signature of armistice with Finland leads us to direct attention to our views on signature expressed in our telegram No. 25 of February 21st. In this connection the observations on the draft Instrument of Surrender for Germany made in our telegram No. 106 of June 16th[115] should be borne in mind. In view of the small number of countries at war with Finland, the most practicable form for the Finnish armistice might be its signature by a Soviet military representative on behalf of the U.S.S.R., the United Kingdom, Canada, etc. This would necessitate prior communication to us of the armistice terms.

2. We have instructed the Canadian Ambassador, Moscow, to discuss the position with the United Kingdom Ambassador without as yet taking it up with Soviet Government. We should welcome your views and your support.

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[114] Formation d'un nouveau gouvernement en Finlande qui semblait décidé à faire la paix et un compte rendu indiquant que l'armée finlandaise ne pouvait plus résister.
Formation of a new government in Finland expected to sue for peace and a report that the Finnish army could no longer resist.

[115] Document 663.

770. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 95 London, June 23, 1944

SECRET. Your telegram No. 107, of June 22nd, Armistice with Finland.

Views as to signature on behalf of Canada expressed in your telegram No. 25 of February 21st are being borne in mind here. As stated in my telegram No. 20 of February 25th they were conveyed to His Majesty's United Kingdom Ambassador, Moscow, who reported that he communicated with Mr. Vyshinski on April 20th as to method of participation of British Commonwealth Governments (see paragraph 3 of my telegram Circular D. 538, of 10th April)† but no indication has yet been received of Soviet views on this point.

2. We agree that there would be advantage in signatures by military representatives on both sides and, as stated in my telegram Circular D. 290 of February 24th,† we have assumed that if armistice is signed by Soviet military representative on behalf of Soviet Union and other United Nations at war with Finland it would be made clear in text that he was signing for five British Commonwealth Governments as well as U.S.S.R.: this point was brought out in letter to Vyshinski of April 20th.† We shall continue to keep you in close touch with developments but we have not yet received any fresh terms from Soviet Government. Experience of previous negotiations earlier this year gave impression that Soviet Government tend to keep negotiations very much in their own hands and are likely to expect any comments at very short notice. We feel bound to recognize major Soviet interest in Finland and think it best to confine any comments on Soviet suggestions to matters in which substantial British interests are directly affected. But when considering any new draft terms referred to us by Soviet Government we will certainly also bear in mind observations in your telegram No. 106 of June 16th, which we will answer separately as soon as possible.[116]

3. We note that Canadian Ambassador is in touch with United Kingdom Ambassador in the matter.

771. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1300 London, September 7, 1944

IMPORTANT. TOP SECRET. My telegram of September 5th, Circular D. 1282.† Finland.

[116] Document 665.

1. M. Molotov has now informed His Majesty's United Kingdom Ambassador that Soviet Government wish to conclude a peace treaty with Finland and has communicated to him the draft in my immediately following telegram.†

2. On receiving it, His Majesty's Ambassador pointed out that as it stood it did not provide for signature by countries at war with Finland other than U.S.S.R. and United Kingdom, and said that separate signatures would be desired in respect of British Commonwealth Governments. M. Molotov made no objection.

3. As regards Article 7,[117] M. Molotov stated that United Kingdom and Canadian nickel interests would be provided for by a special Protocol to effect that "industrial enterprises, including concessions situated in the Petsamo area, will be transferred to the Soviet Union free of all indebtedness, and third party claims and satisfaction of such indebtedness or claims will be accepted by the Finnish Government."

4. We are urgently considering Soviet draft and will telegraph our views as soon as possible. Dominion Governments may meanwhile wish to give preliminary consideration to substance of draft and also to question of arrangements which they would wish to be made for signature on their behalf if treaty of peace is concluded.

772. **DEA/48s**

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1324 London, September 9, 1944

TOP SECRET. My telegram of September 7th, Circular D. 1300. M. Molotov handed His Majesty's United Kingdom Ambassador on September 8th drafts of two Protocols to proposed Finnish Peace Treaty on:

(1) Withdrawal of Finnish troops.

(2) Rupture of relations, facilities, compensation for claims in Petsamo territory, arrangements for Porkala-Ud and functions of Control Commission.

2. First Protocol lays down time-table and detailed conditions of withdrawal and further provides that all installations, communications, buildings, etc., on territories ceded or retroceded to U.S.S.R. shall be handed over in good condition.

3. Summary of Second Protocol, Begins:

1. Defines rupture of relations with Germany and her satellites.

2. Finnish Government to stop diplomatic communications between Finland and foreign countries until withdrawal of German troops is complete.

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[117] L'article 7 se lisait comme suit:

Article 7 was as follows:

> Finland returns to Soviet Union the Oblast of Petsamo (Pechenga) voluntarily ceded to Finland by Soviet State in accordance with Peace Treaties of 1920 and 1940 within boundary mark on sketches and maps attached to present Treaty.

3. Finnish Military Command to supply to Allied (Soviet) High Command full information about Finnish forces as at time of signature, and to agree with Allied (Soviet) High Command on manner of placing Finnish Army on peace footing.

Finnish Command to hand over all information about German armed forces and plans and all German operational documents.

4. All Finnish naval vessels, merchant ships and aircraft, for period of war against Germany, to return to base and not leave without permission from Allied (Soviet) High Command.

5. Allied (Soviet) High Command to indicate airfields to be placed at its disposal.

6. Until end of war against Germany, Soviet naval vessels and merchant ships to be entitled to use Finnish territorial waters, ports, etc.

7. Finnish Government to supply (meteorological?) information.

8. Industrial enterprises located on territory of Petsamo, including concessions to be transferred to U.S.S.R. free of any indebtedness or third-party claims: Finnish Government to accept liability for these.

9. Territory and waters of Porkala-Ud to be transferred for a Soviet naval base to U.S.S.R., within ten days from entry into force, for a period of 50 years; U.S.S.R. to pay 5 million Finnish marks yearly for Lepke.

10. Finnish Government to make available to U.S.S.R. communications with Porkala-Ud.

11. Commodities to be delivered by Finland to U.S.S.R., and period of deliveries to be defined in a special agreement between the two Governments. United States dollars to be reckoned at rate of $35 to one gold ounce.

12. Powers and functions of Allied Control Commission to be established in Helsingfors. Ends.

773. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1327 London, September 10, 1944

IMMEDIATE. TOP SECRET. My telegram of 8th September, Circular D. 1312.†

Finland.

M. Molotov informed His Majesty's United Kingdom Ambassador on 9th September that Soviet Government had decided to withdraw plan for a Peace Treaty and now proposed proceeding by way of (a)Armistice (b)Preliminaries of peace (c)Two Protocols (my telegram of September 9th, Circular D. 1324). His idea was to transfer Articles 6, 7, 8, 9, 12, 15, 18 and 19 of draft Peace Treaty to preliminaries of peace and to include other Articles in Armistice. He begged our views urgently. Summary of main comments in my immediately following telegram.

2. I will telegraph again as soon as possible our comments on (b) above. Meanwhile, if other British Commonwealth Governments have any observations on Armistice proposals at (a) and (c) above, we should be glad to have them urgently.

774. DEA/48s

Extraits d'un télégramme du secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Extracts from Telegram from Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1328 London, September 10, 1944

IMMEDIATE. TOP SECRET. My immediately preceding telegram. Finland.

Summary of main comments to Soviet Government, Begins:

Preamble and Signature. We assume that Armistice will be signed by Soviet military representative on behalf of all United Nations at war with Finland and the fact that it is being signed on their behalf will be made clear in preamble.

Article 7 (also Article 8 of Second Protocol).[118] Petsamo. We should find it most difficult to accept suggestion that Finland should provide compensation for British interests in Petsamo. It is inequitable that compensation for loss of interests in ceded territory should be liability of ceding State. Necessity of compensation in this case arises not merely because territory is being transferred from one State to another: foreign interests are not necessarily affected by cession of territory and could operate under new Sovereign: it arises because of known Soviet policy with regard to industrial enterprises and foreign interests. Moreover, general principle is that a State acquiring territory from another assumes obligations of former Sovereign in connection therewith.

Article 10. Internees and Prisoners of War. We should be prepared to release Finnish internees in United Kingdom subject to there being no security objections in individual case. We have no Finnish prisoners of war.

...

Draft Protocols (my telegram of September 9th, Circular D. 1324). Procedure by way of Protocol would be unusual in the circumstances. Temporary provisions should be transferred to Armistice or an annex thereto; others to proposed preliminaries of peace. Ends.

[118] Voir les documents 771 et 772.
See Documents 771 and 772.

775. **DEA/48s**

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 168 Ottawa, September 11, 1944

IMMEDIATE. SECRET. Your telegrams Circular D. 1327 and 1328 of September 10th. Finland.

1. We are in general agreement with your comments on the Soviet proposals for an armistice and on the two accompanying Protocols. We hope your suggestion for signature by Soviet Military representative on behalf of all United Nations at war with Finland will be incorporated in the preamble.

2. We are telegraphing separately† about the Canadian interest in Petsamo properties and share your objection to the provisions of Article 7 and of the second Protocol on the question of compensation.

3. With regard to Article 10, since there are only four Finns, all seamen, interned in Canada, the matter is of little importance from our point of view.

776. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, September 13, 1944

...

FINNISH ARMISTICE ARRANGEMENTS

18. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported on the nature of proposed Armistice arrangements with Finland.

It was anticipated that the Armistice would be signed by the U.S.S.R. on behalf of all of the United Nations at war with Finland. The U.S.S.R., however, did not wish to assume liability for compensation to foreign interests upon properties at Petsamo, in which the International Nickel Company had an interest.

It would be desirable for Canada to be associated with the United Kingdom in seeking more satisfactory compensatory arrangements without, however, pressing the matter unduly.

19. THE WAR COMMITTEE noted with approval the Under-Secretary's report.

...

777. DEA/48-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 148 London, September 13, 1944

MOST IMMEDIATE. TOP SECRET. Since despatch of my telegram 12th September, No. 145 (Petsamo),† His Majesty's United Kingdom Ambassador, Moscow, has reported that Peoples Commissariat for Foreign Affairs have informally approached him with suggestion that Soviet Government should compensate United Kingdom and Canadian interests out of the dollars United States 300 millions compensation which they expect to get from Finland. They mention a sum of dollars United States 20 millions, but only as a guess and in no sense as a commitment, all reference to compensation would be omitted from the Protocol and matter would be subject of private arrangement between Governments. He inferred that Soviet Government did not expect to be pressed to settle any claims under such an arrangement until they had secured something from Finland, it would be essential that this should not be quoted against Soviet Government as a precedent and privacy was essential.

2. In light of this approach, His Majesty's United Kingdom Ambassador has been informed that we, for our part, see no objection to terms being given to Finns.

(I) Assuming that all points in draft Agreements and Protocols are satisfactorily settled with Soviet Government and that Article 1 of draft Protocol to preliminaries of peace is dropped, and

(II) Provided that he can obtain assurance that Soviet Government are making firm offer to settle matter on above lines, details as to amount and manner of payment to be settled later. He has at same time been instructed to make it clear that we cannot accept offer of settlement on these lines pending consultation with Canadian Government. He is also to warn Soviet authorities that we cannot agree to keep matter completely secret, either from firms concerned who must be consulted regarding precise amounts of their claims, etc., or from Parliament, and to promise that in latter case we would consult Soviet Government as to form of statement and would do our best to adhere to whatever was agreed.

3. In view of Soviet request for privacy we are not (not) saying anything to Mond Nickel Company and should be glad if Canadian authorities could similarly refrain from mentioning proposal to International Nickel Company at this stage.

4. We should appreciate advice by most immediate telegram whether, in circumstances, Canadian Government would agree, as far as they are concerned, to solution on these lines. They would no doubt also inform His Majesty's Canadian Ambassador, Moscow.

778. DEA/48-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 149 London, September 14, 1944

TOP SECRET. My immediately preceding telegram. Petsamo.

We are considering further procedure should Canadian Government agree to proposed solution and an acceptable assurance be obtained from Soviet Government. Our preliminary view is that we should probably be well advised to clinch matter as soon as possible by presenting claim for lump sum and trying to get this agreed. Any arrangement which necessitated itemized proof of losses for which compensation was being claimed would, we think, be less satisfactory because it would leave it open to Soviet authorities to contest individual items and to spin out discussions indefinitely.

2. We should be grateful if Canadian Government would consider question and if they share this view could give early indication of value which they suggest should be put on Canadian interests for purpose of stating lump sum.

779. DEA/48-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 173 Ottawa, September 14, 1944

MOST IMMEDIATE. TOP SECRET. Your telegrams Nos. 145,† 148 and 149, September 12, 13 and 14, Petsamo.

We agree to the policy suggested in your telegram No. 148 and are sending instructions to Canadian Ambassador to co-operate accordingly.

With regard to question in second paragraph of your telegram No. 149, we cannot give immediate or early indication of value without consulting Canadian interests. In event of publication of general arrangements, it is likely that Canadian interests will approach Government and that it may be possible then to give indication of value.

780. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1380 London, September 15, 1944

MOST IMMEDIATE. TOP SECRET. My telegram of September 14th, Canada No. 150,† Australia No. 246, New Zealand No. 196, Union of South Africa No. 65. Finland preliminaries of peace.

His Majesty's United Kingdom Ambassador, Moscow, has reported that agreement with Soviet Government was reached on all points during evening of September 14th, but that M. Molotov now wishes to drop plan for separate agreement for preliminaries of peace and to embody all terms in one Armistice Agreement. Ambassador understood that he was proposing if there were a separate agreement for preliminaries of peace to ask that Constituent Republics bordering on Finland should be included as signatories on ground that Dominions were signing. Ambassador, therefore, agreed that it would be best to have one document. Articles are accordingly being renumbered in Moscow. Preamble is being amended on Roumanian precedent.[119]

Will telegraph further as soon as possible.

781. DEA/48-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 151 London, September 15, 1944

MOST IMMEDIATE. TOP SECRET. Your telegram of September 14th, No. 173. Petsamo. Grateful for your message.

2. M. Molotov has now intimated that Soviet Government are prepared to make firm offer of 20 million United States dollars which would be maximum, and has asked whether proposal in my telegram No. 148[120] is acceptable. If so, he has suggested an agreement to this effect.

3. We should now like to accept this Soviet offer in general terms, and should be glad to learn by most immediate telegram whether Canadian Government agree.

4. If Ambassador could be authorised to add that eventual claim is expected to be well within this figure, we think that this might favourably predispose Soviet Government towards agreeing to whatever figure is ultimately put to them without asking for detailed statement of claim. We should, therefore, be glad to know whether Canadian Government could give a rough preliminary indication of total figure for Canadian interests which would enable Ambassador to speak as suggested.

5. With reference to second paragraph of your telegram No. 173, M. Molotov has indicated also that Soviet Government have no wish to keep this transaction from knowledge of their own people or of ours. In light of this, there would be no objection to your consulting with Canadian Company now in strictest confidence with a view to ascertaining round figure to be set on Canadian interest for purpose of a lump sum claim, and we should be grateful if Canadian authorities could pursue enquiry on this basis.

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[119] Voir Canada, *Recueil des traités*, 1944, N° 40.
See Canada, *Treaty Series*, 1944, No. 40.

[120] Document 777.

6. His Majesty's United Kingdom Ambassador, Moscow has expressed hope that if, as seems likely, claims of interested companies do not, in fact, reach figure of 20 million dollars, they might be satisfied with equitable settlement short of this amount. It is suggested, therefore, that in consultation with Company, suggested maximum figure should not be revealed, but only proposed basis of settlement.

7. May we assume that you will keep Canadian Ambassador, Moscow, informed of your views on this subject as communicated to us?

8. This telegram is being repeated to United Kingdom Ambassador, Moscow, for his information.

782. DEA/48-As

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Union soviétique

Secretary of State for External Affairs to Ambassador in Soviet Union

TELEGRAM 186 Ottawa, September 17, 1944

Our telegram No. 182, September 14,[†] Finland.

1. There is repeated in my immediately following telegram[†] our telegram of today to United Kingdom Government[†] concerning valuation of Canadian interest in Petsamo.

2. You should act in association with United Kingdom Ambassador in discussion of this matter with Soviet Government.

3. In meeting officers of the Company, we have assumed that Soviet offer of twenty million dollars was regarded by the Russians as generous. There is no doubt, however, that if the Company were able to retain full control of the property, its value to them would greatly exceed this sum, and that its loss may well mean a substantial depreciation in the value of their remaining assets. They now fully understand that there is no possibility of their retaining control and they are therefore prepared to take twenty millions U.S., as being the best settlement that can be secured. They do not want figures of their valuation given to the Russians but wish it understood that the Russian offer is substantially below the value of the property to them.

4. You will doubtless find an opportunity of mentioning to the Russians our provision to them of large quantities of war supplies under Mutual Aid including a considerable tonnage of nickel and other metals.

783. DEA/48s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1408 London, September 19, 1944

TOP SECRET. My telegram of September 17th, Circular D. 1402.† Finland.

His Majesty's United Kingdom Ambassador, Moscow, has reported that text of Armistice with Finland was finally settled last night and was to be signed today, September 19th, at noon Moscow time. Text will follow when available.[2]

784. DEA/48-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 158 London, September 25, 1944

IMMEDIATE. TOP SECRET. My telegram 19th September, No. 154,† and your telegram 20th September No. 177.† Petsamo.

His Majesty's United Kingdom Ambassador, Moscow, has reported that he has discussed whole matter with His Majesty's Canadian Ambassador. We understand their joint view to be that it would be unwise to attempt to secure higher figure than twenty million United States dollars, and that it would be well to close at once with Soviet offer of this amount, though when time comes Canadian Ambassador would tell Soviet Government that His Majesty's Government in Canada consider acceptance of Soviet offer involves a very substantial loss to a Canadian interest.

2. We should be glad to learn as soon as possible whether Canadian Government agree, and if so whether they wish to express any views on method or period of payment.

3. Peoples Commissariat of Foreign Affairs have communicated to United Kingdom Ambassador draft agreement as in my immediately following telegram.† The period of six years suggested by Soviet authorities for the payment is presumably related to period for payment of Finnish indemnity. View here is that attempt might well be made to secure immediate payment of twenty million United States dollars or at least payment over two or three years, though payment over six years might have to be accepted in last resort.

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[2] Voir Canada, *Recueil des traités*, 1944, N° 38.
See Canada, *Treaty Series*, 1944, No. 38.

4. Form of proposed Agreement is under consideration here. We have noted view in paragraph 4 of your telegram 17th September, No. 176.[122]

785. DEA/48-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 186 Ottawa, September 26, 1944

IMMEDIATE. TOP SECRET. Your telegram No. 158 of September 25th. Petsamo. Canadian Ambassador, Moscow, has reported in sense of your paragraph 1. We agree that Soviet offer should be accepted as best settlement likely to be obtained.

2. As to period of payment, we should favour a shorter term of perhaps 3 years. We doubt whether we should ask Soviet Government to pay whole sum immediately as such a request seems not entirely consistent with the principles on which supplies are being furnished to the Soviet Government by United States, United Kingdom and Canada.

3. As to method of payment, Soviet proposal is acceptable since Mond Company legally holds the concession as agent for International Nickel Company.

4. As to form of agreement, we feel that Canadian Government should be associated with it. Soviet draft given in your telegram No. 159† would obviously require a number of changes.

5. We are repeating your telegram No. 158 and this reply to the Canadian Ambassador in Moscow.

786. DEA/48-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 165 London, September 27, 1944

IMMEDIATE. TOP SECRET. Your telegram of September 26th, No. 186, Petsamo. His Majesty's United Kingdom Ambassador, Moscow, is now being instructed that he may accept Soviet offer of United States $20,000,000 in principle.

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[122] Le paragraphe 4 se lisait comme suit:
Paragraph 4 was as follows:

If twenty million dollars U.S. must be considered maximum possible compensation, Company would reluctantly accept a settlement on this basis. It is assumed that reference to compensation would be omitted from protocol or armistice terms and would be embodied in a separate arrangement between the Soviet and the United Kingdom and Canadian Governments, presumably placed on record in an exchange of notes or in some other appropriate manner. The Soviet Government should be asked to give a firm undertaking to pay this sum, not contingent upon the reparations which are to be received from Finland.

2. Revised draft Agreement in my immediately following telegram† has been prepared to give effect to your observations as to period of payment and form of Agreement. Should be glad to learn whether Canadian Government agree that this draft should now be presented to Soviet Government and that United Kingdom and Canadian Ambassadors should be authorised to accept longer term if three year period cannot be secured.

3. This telegram is being repeated to United Kingdom Ambassador, Moscow.

787. DEA/48-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 187 Ottawa, September 28, 1944

IMMEDIATE. TOP SECRET. 1. Your telegrams No. 165 and 166,† September 27, Petsamo.

2. Proposal in telegram No. 165 that draft should now be presented to Soviet Government and that United Kingdom and Canadian Ambassadors should be authorized to accept longer term if three year period cannot be secured is acceptable to Canadian Government.

3. It is assumed that you are sending text of revised draft agreement to United Kingdom Ambassador, Moscow, and that he will furnish Canadian Ambassador with text. The text of draft agreement is satisfactory and Canadian Ambassador is being authorized to sign the same on behalf of the Government.

788. DEA/48-As

L'ambassadeur en Union soviétique au secrétaire d'État aux Affaires extérieures

Ambassador in Soviet Union to Secretary of State for External Affairs

TELEGRAM 309 Moscow, October 3, 1944

TOP SECRET. Your telegram No. 199, September 20th,† regarding Petsamo.

British Ambassador and I saw Dekanosov[123] on October 2nd and handed him text of revised draft Agreement. I outlined considerations set forth in your telegram No. 186.[124] Dekanosov said he would report to his Government and advise us. He foresaw no difficulty about form of Agreement, but pointed out that payment over six years had been proposed on account of connection with reparations from Finland. I said Canadian Government attached importance to shorter period and could not recognize too close connection between

[123] Commissaire du peuple adjoint aux Affaires étrangères de l'Union soviétique.
Deputy People's Commissar for Foreign Affairs of the Soviet Union.

[124] Document 782.

compensation for properties and receipt of reparations. British Ambassador said his Government subscribed to this view. Ends.

789. DEA/48-As

L'ambassadeur en Union soviétique au secrétaire d'État aux Affaires extérieures

Ambassador in Soviet Union to Secretary of State for External Affairs

TELEGRAM 311 Moscow, October 5, 1944

SECRET. My telegram No. 309 of October 3rd regarding Petsamo.

1. British Ambassador and I saw Dekanosov on October 4th. He said that his Government accepted the revised draft of the Agreement in every particular except provision for payment over 3 years. They would not agree to a term of less than six years because this was period provided for payment of reparations from Finland. I argued at length against connecting compensation for properties with reparations, and urged shorter term as means of mitigating loss to Canadian interests, but we could not shake him. It was obvious that he had instructions not to budge on this point. He asked us to take up question once more with our respective Governments. We agreed, but pointed out that they would be disappointed with the attitude of the Soviet Government.

2. We propose to wait until October 7th when we shall advise Dekanosov that our Governments agree to term of payment over six years and request early arrangements for signature of the Agreement. Ends.

790. DEA/48-As

L'ambassadeur en Union soviétique au secrétaire d'État aux Affaires extérieures

Ambassador in Soviet Union to Secretary of State for External Affairs

TELEGRAM 314 Moscow, October 9, 1944

SECRET. My telegram No. 311 of October 5th regarding Petsamo.

Agreement signed on October 8th providing for payment of compensation to Canadian Government of twenty million dollars over six years.[125]

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[125]Voir Canada, *Recueil des traités*, 1944, N° 29 et 38.
See Canada, *Treaty Series*, 1944, Nos. 29 and 38.

SECTION B

BULGARIE/BULGARIA

791. DEA/97s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 145 Ottawa, August 28, 1944

IMMEDIATE. TOP SECRET. Your telegram D. 1206 of August 26th.† Armistice terms for Bulgaria. We have no objection to the terms summarized in Circular D. 1207.† Canada did not declare war on Bulgaria and our formal position is that of a country which has broken diplomatic relations but not declared war.

792. DEA/97s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1612 London, October 29, 1944

IMPORTANT. My telegram Circular D. 1594, October 24th. Bulgaria.

Armistice and Protocol (with some variations from texts[126] given in my telegrams Circular D. 1559† and Circular D. 1560)† were signed October 28th.[127] Texts are being released in Moscow this (Sunday) evening and are being made available for morning press here Monday.

SECTION C

ROUMANIE/ROMANIA

793. DEA/7-Ts

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 150 Ottawa, August 31, 1944

TOP SECRET. Your telegrams Circular D.1228† and D.1229.† Roumanian armistice terms. We have examined the text of the proposed terms and are in agreement with them.

2. With reference to paragraph 5 in D.1228, we agree that the armistice should be concluded on behalf of all the United Nations at war with Roumania. You are already acquainted with our views on the appropriate form

[126]Voir États-Unis, *Foreign Relations of the United States*, 1944, volume III, Washington, U.S. Government Printing Office, 1965, pp. 465-7.
See United States, *Foreign Relations of the United States*, 1944, Volume III, Washington, U.S. Government Printing Office, 1965, pp. 465-7.

[127]Voir Canada, *Treaty Series*, 1944, N° 39.
See Canada, *Treaty Series*, 1944, No. 39.

of reference to the United Nations in the preamble of armistices with enemy states.[128]

794. DEA/7-Ts

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1268 London, September 3, 1944

MOST IMMEDIATE. TOP SECRET. My telegram of September 1st, Circular D. 1250.† His Majesty's United Kingdom Ambassador, Moscow, has been instructed to discuss the Soviet draft of Rumanian armistice terms[129] on the following lines:

(a) As regards the proposed title and preamble the armistice should in our view cover all the United Nations at war with Rumania.

(b) As regards signature we consider that armistice should be signed on the Allied side by one military representative and we should be glad to authorise a Soviet General to sign on behalf of the United Kingdom. His Majesty's Ambassador in putting this to the Soviet Government is to draw attention to the Italian armistice as a precedent. The final wording of the preamble will obviously depend on the decision reached on this point.

2. My immediately following telegram contains detailed comments which are being conveyed through His Majesty's United Kingdom Ambassador to Soviet Government regarding individual articles of Soviet draft.

3. Should be grateful if you would telegraph as soon as possible any observations which you may wish to make on Soviet draft.

795. DEA/7-Ts

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1269 London, September 3, 1944

MOST IMMEDIATE. TOP SECRET. My immediately preceding telegram. Following are our comments on Soviet draft, Begins: Article 1. We think explicit provisions should be made for disarming and interning enemy troops and nationals in Roumania.

Article 4. (a) First sentence. After "return" add "if desired." Reason for this addition is that many British subjects interned in Roumania may not wish

[128] Voir le document 663.
See Document 663.

[129] Voir États-Unis, *Foreign Relations of the United States*. 1944, volume IV, Washington, U.S. Government Printing Office, 1966, pp. 209-12.
See United States, *Foreign Relations of the United States*. 1944, Volume IV, Washington, U.S. Government Printing Office, 1966, pp. 209-12.

to return to United Kingdom and we do not wish to give Roumanian Government pretext to deport them.

(b) Second sentence. After "citizens" add "and displaced persons and refugees."

Article 5. Delete last eight words and substitute "or because of their race and will repeal all discriminatory legislation and restrictions imposed thereunder."

Article 6. It is not clear what the Russians mean by war material. In our view it should here include all material or equipment belonging to, used by or intended for use by enemy military or para-military formations and members thereof, in connection with their operations. We do not think it should cover all enemy property (e.g. a German owned factory in Roumania). We consider that separate provision should be included specifying that enemy property (other than war material) should be held at the disposal of the United Nations.

Article 7. (a) The Roumanian Government are not concerned with the use and disposal of United Nations ships after they have been handed over and the first paragraph of this Article should accordingly stop at "may be." This does not mean that we waive any right or claim we have to British ships, on the contrary we consider that all Allied ships should revert at once to their owners. We agree that the Soviet Government should have temporary use of these ships "in the general Allied interest," but the terms and duration of such use will be matters for discussion between the Soviet Government and the Allied Governments concerned.

(b) Line 2 after "belonging" add "or having belonged."

Article 8. We assume that where enterprises, installations, etc., are United Nations property, instructions will only be given after consultation, so far as this is possible, with the United Nations Government concerned.

Article 9. Article refers only to Soviet claims. We and other United Nations have requirements, notably repairs to damage caused to property rights and interests (particularly in connection with oil). Without any indication of Roumania's capacity to pay or extent of United Nations demands, we do not feel that Roumania's liabilities in money or in kind for reparation can be finally assessed at present stage. On the other hand, we should wish provision to be made for urgent requirements to be met. We suggest following redraft. "The Roumanian Government will comply with such provisions as the Allied (Soviet) High Command may prescribe regarding restitution, deliveries, services or payment by way of reparation. In fixing the amount of reparation, account will be taken of the fact that Roumania has not merely withdrawn from the war, but had declared war and in fact waged war against Germany and Hungary." The first sentence is lifted textually from the Italian Armistice[190] in which Soviet Government concurred.

[190] Voir Canada, *Recueil des traités*, 1943, N° 21.
See Canada, *Treaty Series*, 1943, No. 21.

Article 10. His Majesty's Ambassador is to ask Soviet Government to confirm that this refers only to identifiable objects. We want to be certain about this as this Article will create an important precedent for restitution vis-à-vis other enemy countries.

Article 11. We suggest the following redraft—"The Roumanian Government undertakes to restore in complete good order, property rights and interests located in Roumanian territory of the United Nations and their citizens."

Article 12. We should like this article to start "Roumania will deliver commodities....." and to make good the omission by adding the following additional article.

"The Roumanian Goverment will make available such Roumanian currency as the Allied (Soviet) High Command may require. Roumanian Government will withdraw and redeem non Roumanian currency within such time limits and on such terms as the Allied (Soviet) High Command may specify all holdings in Roumanian territory of currencies issued by the Allied (Soviet) High Command and will hand over the currency so withdrawn free of cost to the Allied (Soviet) High Command." If, however, the Soviet Government object, His Majesty's Ambassador has been authorised to accept Article 12 in its present form provided the words "local currency" are added after "services" in the sentence we wish to add to Article 16 (see below).

Article 15. Omit words "issued by the Allied (Soviet) High Command," and add at the end of the Article "of facilitating the work of such Missions as the Allies may send and meeting Allied requirements for the re-establishment of peace and security."

Article 16. (a) Add the following sentence "Roumanian Government will furnish it free of charge with all the facilities, supplies and services it may require."

(b) His Majesty's Ambassador has been asked to confirm that powers conferred under numerous Articles on Allied (Soviet) High Command will in fact be implemented through Allied Control Commission.

Article 17. His Majesty's Ambassador is to suggest, but not to press, that contents of this Article might more suitably be couched in form of a separate Declaration.

Article 18. (a) Our comments on the preamble (see my immediately preceding telegram) apply here also.

(b) We consider there should only be two authentic texts, Russian and English. We have following further additional comments:

(a) There is no longer any reference to the independence and sovereignty of Roumania. Soviet Government is being asked reason for this.

(b) There is no mention of the Roumanian Navy and Merchant Fleet. We think it essential that the Armistice should provide for the operational control by the Allies of all Roumanian ships whether in Roumanian or foreign waters for use in the general interest of the Allies as was done in the case of Italy.

Way in which these ships should be used and their ultimate disposal would be matters for discussion and settlement between the Allies.

(c) We think a Denunciatory Article is required.

(d) We suggest additional Article similar to Article II of Bulgarian Armistice[111] (my telegram Circular D. 1207).†

(e) There is no mention of the Danube. We therefore suggest adding some such provision as "the Roumanian Government will comply with Allied instructions for the control of navigation on the Danube and connected transport facilities."

(f) It is very desirable that Roumania should sever all relations with Japan. We recognise that it may be difficult to include this in the Armistice itself, but His Majesty's Ambassador is to ask Soviet Government whether they agree that an instruction to this effect should immediately be issued to the Roumanian Government under Article 15. Ends.

796. DEA/7-Ts

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 159 Ottawa, September 5, 1944

IMMEDIATE. TOP SECRET. Addressed London No. 159, repeated Canberra No. 15, Wellington No. 16, and South Africa No. 15.

Your telegram Circular D. 1268 of September 3rd. Draft armistice terms for Rumania. Our direct interest in these terms is small and we are chiefly concerned over their form and substance as a precedent. As to substance, we agree with your comments on Soviet draft set forth in your Circular D. 1269. As to form, we share your view that the armistice should cover all United Nations at war with Rumania and should be signed by one military representative from Soviet Supreme Command.

2. We appreciate that wording of preamble and Article 18 cannot be settled until decision has been reached on this point. In this connection we shall reply separately to your telegram D. 1247 of September 1st concerning Instrument of Surrender for Germany.[112] In view of the position therein disclosed we refrain from pressing for any particular form of words in the armistice with Rumania.

3. We should be glad if the United Kingdom Ambassador in Moscow would keep the Canadian Ambassador fully informed.

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[111] L'article additionnel se lisait comme suit:
The additional article was as follows:
Bulgaria to make such contributions toward general relief and rehabilitation as may be required by Allies.

[112] Voir les documents 679-81.
See Documents 679-81.

797. DEA/7-Ts

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1354 London, September 12, 1944

IMMEDIATE. TOP SECRET. Addressed Canada, repeated Australia, New Zealand and Union of South Africa. Your telegram of September 5th, No. 159. Armistice with Roumania. It will be seen that terms in my telegram of September 12th, Circular D. 1340† will cover all United Nations at war with Roumania and provide for signature by a Soviet military representative.

2. We recognize that Canadian, Commonwealth and New Zealand Governments would have preferred to avoid phrase "acting in the interests of" and we should ourselves have preferred "on behalf of," but United States Government pressed for former phrase and, in view of conclusion reached on this question with reference to draft surrender terms for Germany,[133] we thought it best to acquiesce.

3. His Majesty's United Kingdom Ambassador has been asked to keep his Canadian and other British colleagues informed of developments.

798. DEA/7-Ts

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1364 London, September 13, 1944

MOST IMMEDIATE. TOP SECRET. My telegram of September 12th, Circular D. 1340.

Roumanian Armistice was signed in Moscow night 12th/13th September under date September 12th[134] and public announcement to that effect has been made there. Text is being published in Moscow at 19:00 hours G.M.T. today, September 13th. We are not publishing it ourselves until authentic text received from Moscow.

2. Telegraphic text of amendments and of annexes follows in separate telegrams.†

[133]Voir le document 677.
See Document 677.

[134]Voir Canada, *Recueil des traités*, 1944, N° 40.
See Canada, *Treaty Series*, 1944, No. 40.

SECTION D

HONGRIE/HUNGARY

799. DEA/7-Cs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 5 Ottawa, January 4, 1945

IMMEDIATE. TOP SECRET. Your telegrams Circulars D. 1890† and 1891.† Hungarian Armistice terms. We have no comments on the substance of the revised Soviet terms. We assume that the language of Article 13[115] does not debar the later settlement of claims by Allied nationals for losses inflicted by Hungary during the war. As to form, we have no new comments to make.[116]

PARTIE 5/PART 5

RÈGLEMENT AVEC LE JAPON
SETTLEMENT WITH JAPAN

SECTION A

CONDITIONS DE CAPITULATION

SURRENDER TERMS

800. DEA/104-Bs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1415 London, August 11, 1945

MOST IMMEDIATE. TOP SECRET. My telegram Circular D.1412.† Following message from United States Secretary of State was delivered tonight (August 10th) by United States Ambassador, Begins:

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[115] L'article 13 se lisait comme suit:
Article 13 was as follows:

13. Losses caused to Soviet Union, Yugoslavia and Czechoslovakia by military operations and by occupation by Hungary of territories of those States will be made good by Hungary to the Soviet Union, Yugoslavia and Czechoslovakia; but taking into consideration that Hungary has not only withdrawn from the war against the United Nations but has declared war and will wage war against Germany, the parties agree that compensation for indicated losses will be made by Hungary not in full but only in part, namely to the amount of 300 million American dollars payable over six years in commodities (machinery equipment, river craft, grain, live stock, etc.), the amount of compensation to the Soviet Union being 200 million American dollars and amount of compensation to Yugoslavia and Czechoslovakia being 100 million American dollars (see Annex to Article 13).

[116] L'armistice fut signé à Moscou le 20 janvier. Voir Canada, *Recueil des traités*, 1945, N° 20.
The armistice was signed in Moscow on January 20. See Canada, *Treaty Series*, 1945, No. 20.

1. This Government proposes that a reply as quoted in paragraph 3 be made to the Japanese Government's acceptance of the Potsdam Proclamation.[117]

2. In order that hostilities may be terminated and further loss of life be prevented, this Government hopes that the British Government will associate itself with this Government in making an early reply as quoted in paragraph 5.

3. With regard to the Japanese Government's message accepting the terms of the Potsdam Proclamation but containing the statement "with the understanding that the said Declaration does not comprise any demand which prejudices the prerogatives of His Majesty as a sovereign ruler" our position is as follows:

"From the moment of surrender the authority of the Emperor and the Japanese Government to rule the State shall be subject to the Supreme Commander of the Allied Powers who will take such steps as he deems proper to effectuate the surrender terms. The Emperor and the Japanese High Command will be required to sign the surrender terms necessary to carry out the provisions of the Postsdam Declaration, to issue orders to all the armed forces of Japan to cease hostilities and to surrender their arms and to issue such other orders as the Supreme Commander may require to give effect to the surrender terms. Immediately upon the surrender, the Japanese Government shall transport prisoners of war and civilian internees to places of safety as directed, where they can quickly be placed aboard Allied transports. The ultimate form of Government of Japan shall in accordance with the Potsdam Declaration be established by the freely expressed will of the Japanese people. The armed forces of the Allied Powers will remain in Japan until the proposals[118] set forth in the Potsdam Declaration are achieved." End of United States note.

Following reply has been given to United States Ambassador, Begins:

We have examined your draft. While agreeing in principle, we desire to make certain amendments on the ground we doubt if it is wise to ask the Emperor personally to sign the surrender terms, and therefore we would suggest the following:

"The Emperor shall[119] authorize and ensure the signature by the Government of Japan and the Japanese General Headquarters of the surrender terms necessary to carry out the provisions of the Potsdam Declaration and shall issue his commands to all the Japanese military, naval and air authorities and to all the forces under their control wherever located to cease active operations and to surrender their arms etc.(as in your draft)." This is in keeping with clause 13 of the Potsdam Declaration. This, we believe, also will secure the immediate surrender of Japanese in all outlying areas and thereby save

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[117] Voir États-Unis, *Department of State Bulletin*, volume 13, 29 juillet et 12 août 1945, pp. 137-8, 205.
See United States, *Department of State Bulletin*, Volume 13, July 29 and August 12, 1945, pp. 137-8, 205.

[118] Le mot «proposals» fut remplacé peu après par le mot «purposes.»
The word "proposals" was replaced later by the word "purposes."

[119] Le mot «shall» fut remplacé peu après par les mots «will be required to.»
The word "shall" was later replaced by the words "will be required to."

American, British and Allied lives. We presume that if we are in accord on these terms we should get the agreement of General Stalin and General Chiang Kai-shek. Reply ends.

We trust you will agree.

801. DEA/104-Bs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 183 Ottawa, August 11, 1945

MOST IMMEDIATE. TOP SECRET. Following from Prime Minister. Begins: Reference your Circular D.1415 of August 11th. The proposed reply to Japanese Government's message with second sentence amended as you suggest is in accordance with our own preliminary conclusions and we are in agreement with its terms. Ends.

802. DEA/104-Bs

L'ambassadeur des États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador of United States to Secretary of State for External Affairs

No. 363 Ottawa, August 20, 1945

SECRET

Sir,

Confirming the Embassy's conversation with the Under-Secretary of State for External Affairs on August 19, I have the honor to state that, in connection with the arrangements for the acceptance of the Japanese surrender by the Supreme Commander for the Allied nations, I have been directed to inform you that the Canadian Government is invited to appoint a representative of its armed forces to be present with the Supreme Commander at the time of the surrender.

It is requested that communication of the representative appointed should be made not only to the United States Government but also directly if possible with General MacArthur who is being directed to make the necessary arrangements for the Canadian representative.

The United States Government would appreciate being informed at an early time of the name of the representative designated.

Accept etc.

RAY ATHERTON

803. DEA/104-Bs

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur des États-Unis

Secretary of State for External Affairs to Ambassador of United States

No. 77 Ottawa, August 20, 1945

SECRET

Sir,

I have the honour to inform you that the invitation conveyed in your note No. 363 of August 20th for the appointment by the Canadian Government of a representative of its armed forces to be present with the Supreme Commander at the time of his acceptance of the Japanese surrender is much appreciated. Communications on this matter have also recently been exchanged with the Government of the United Kingdom. Since the deployment of Canadian forces for action in the Far East was in its initial stages at the time of the announcement of surrender by the Japanese Government, there has been difficulty in designating a suitable representative of the Canadian forces in the Asiatic theatres.

Colonel Moore Cosgrave, Canadian Military representative in Canberra, has already been instructed to proceed to Manila as soon and as rapidly as possible, primarily in order to watch over the interests of released Canadian prisoners of war arriving there. If he reaches Manila in time, the Canadian Government would be glad if his attendance could be arranged as its representative on this historic occasion. If the necessary arrangements cannot be completed, the Canadian Government has informed the Government of the United Kingdom that they would be glad to be represented by Admiral Bruce Fraser, Commander-in-Chief of the British Pacific Fleet, who has offered to select a Canadian officer from the forces under his command to be on his staff for the occasion.

I should be glad if the information contained in this note could be communicated by the United States Government to General MacArthur. A communication in the same sense has been addressed to the Government of the United Kingdom for communication to Admiral Fraser.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

804. DEA/104-Bs

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, September 3, 1945

Mr. Atherton left the enclosed memorandum for you with me this afternoon.

I think it would be a good idea to give out Cosgrave's message to the press immediately.[140]

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de l'attaché militaire, l'ambassade des États-Unis, à l'ambassadeur des États-Unis

Memorandum from Military Attaché, Embassy of United States, to Ambassador of United States

RESTRICTED Ottawa, September 3, 1945

We have received the following priority message which was classified and is for transmittal to the Department of External Affairs. The message comes from Advance General Headquarters, Army Forces, Pacific Ocean Areas, and is dated 2 September at 0915Z. It is from the Canadian Military Representative (Colonel Cosgrave) at the signing of the surrender terms in Japan.

The message reads:

"To Prime Minister King:

General of the Army MacArthur and Admiral of the Fleet Nimitz asked me to send warm official and personal greetings to you and to express their keenest pleasure at Canada's participation. A signed copy of the surrender instrument ceremony plan and terms of surrender are being shipped by air mail to Canada. I have been given every consideration and courtesy at the ceremony of surrender which was completed this morning. It is expected that the first Canadian prisoners of war will be released within the next 48 hours. Evacuation is progressing, and although the numbers, names, and other details of Canadian prisoners of war are not yet available, it is expected that there will be further details tomorrow. (Signed Cosgrave)."

We were requested to pass this to the Dept. of External Affairs. Will you please take care of this for us.

FRANCIS J. GRALING
COLONEL, G.S.C.

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[140] Un communiqué de presse fut émis le même jour.
A press release was issued the same day.

805. DEA/104-Bs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1639 London, September 6, 1945

General MacArthur has reported officially that formal surrender of the Japanese Government, Japanese Imperial Headquarters and all Japanese and Japanese controlled armed forces, wherever located, was signed on the United States battleship *Missouri* in Tokyo Bay at 09:08 hours I time, September 2nd, 1945.[141]

SECTION B

OCCUPATION ET CONTRÔLE
OCCUPATION AND CONTROL

806. DEA/50061-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 170 London, August 13, 1945

MOST IMMEDIATE. TOP SECRET. Following from the Prime Minister for the Prime Minister, Begins: As soon as Japanese surrender has been accepted by Governments, the Allies will be faced with many tasks resulting from Japanese capitulation. We trust that we may rely on your assistance in these and indeed we regard your assistance as indispensable. The proposals set out below are to be regarded as replacing the suggestion for a British Commonwealth force dealt with in telegram Circular D. 1330† and connected subsequent telegrams.[142]

2. The tasks confronting us are

(a) The re-occupation of key areas of occupied territories in order to secure effective control and to enforce the surrender and disarmament of the Japanese armed forces.

(b) Earliest release of British and Allied prisoners of war and internees.

(c) Participation in occupation of Japan.

(d) Protection of British interests in China.

(e) Ending our state of war with Siam.

3. Subject to your agreement we suggest that plans shall be made on the following assumptions on policy

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[141] Voir Canada, *Recueil des traités*, 1945, N° 19.
See Canada, *Treaty Series*, 1945, No. 19.

[142] Voir les documents 437 à 439.
See Documents 437 to 439.

(a) The South-West Pacific area will pass to British and Australian command.

(b) It is highly important that British Commonwealth forces should accept the surrender of Hong Kong at the earliest possible date.

(c) A British Commonwealth force shall take part in the occupation of Japan. We suggest that it should be formed from one brigade group each of Australian, British, British/Indian, Canadian and New Zealand troops with a tactical air force contingent. Questions of command can be dealt with separately.

May we have your very early agreement in principle to these suggestions?

4. Orders have been given to S.A.C.S.E.A. and Commander-in-Chief B.P.F. to make plans for the following operations

(a) The early reopening of the Straits of Malacca, the occupation of Singapore and the key areas of Malaya.

(b) The early re-establishment of a British garrison in Hong Kong. The proposal is that Commander-in-Chief, British Pacific Fleet, should embark from Borneo an Australian force of about one brigade strength and transport it with all possible speed to Hong Kong. It will be relieved as soon as the Straits of Malacca are opened by forces from S.E.A.C.

(c) The acceptance of the surrender of Japanese forces in Java, Sumatra and French Indo-China and the preliminary arrangements for handing back these territories to the Dutch and French.

(d) The occupation of Siam.

5. Having regard to the share of Canadian troops in the earlier defence of Hong Kong we should hope to have Canadian participation in the acceptance of surrender and we trust you will agree with this. We suggest that the best way in which this could be effected is by a Canadian warship sailing with the force acting under the orders of Commander-in-Chief, British Pacific Fleet.

6. We hope also that you will agree with the proposal in 3(c) above, that Canadian forces shall take part in the occupation of Japan. We will consult you further on the detailed arrangements and should be glad of your suggestions.

7. We are inviting the Australian and New Zealand authorities to accept the surrender of all Japanese forces in Borneo and to the east thereof and we are making arrangements to provide them with the necessary shipping.

8. In view of the time factor we are informing the United States Chiefs of Staff of the proposals in paragraphs 3 and 4 above and inviting their comments. Ends.

807. DEA/50061-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 188 Ottawa, August 15, 1945

IMMEDIATE. TOP SECRET. Following for the Prime Minister from the Prime Minister, Begins: Your telegram No. 170 of August 13th. Before receipt of your telegram we had given consideration to our position with respect to the participation of Canadian forces in the tasks to be accomplished in the Far East following the surrender of Japan. We are in accord with the suggestions made in paragraph 3 (a) and (b). With respect to Canadian participation in the acceptance of surrender at Hong Kong, H.M.C.S. *Prince Robert*, now in Sydney, is being ordered to leave as soon as possible for attachment to the force from the British Pacific Fleet detailed for this purpose in case she can arrive in time. In any event *Prince Robert* will carry relief supplies and will be available to assist in the repatriation of prisoners of war from camps in and near Hong Kong. At the moment, no other R.C.N. ship is in a position to join the force proceeding to Hong Kong under the orders of the Commander in Chief, British Pacific Fleet.

Since we understand that plans are being made by General Wedemeyer for a land force to proceed to Hong Kong from China, we are instructing the Canadian Military Attaché at Chungking, Brigadier Kay, to accompany this force. He would be able to look after questions affecting Canadian prisoners of war in camps in that area.

We are not prepared to furnish a brigade group for occupation or other special duties in the Pacific theatre as you suggest in paragraph 3(c). We now have considerable occupation forces in Europe and we are not ready to undertake any further commitment of this nature involving either Army or Air Force units. Ends.

808. DEA/50061-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 189 Ottawa, August 15, 1945

IMMEDIATE. TOP SECRET. Following for the Prime Minister from the Prime Minister, Begins: I have noted from paragraph 8 of your telegram No. 170 of August 13th that the United States Chiefs of Staff have been informed of your suggestion that a British Commonwealth force, including a Canadian brigade group should take part in the occupation of Japan. I regret to have to say that I consider that any mention to the United States Chiefs of Staff of the possible participation of Canadian troops in such a force should have been deferred until you had been informed of our views which are given in my immediately preceding telegram. Ends.

809. W.L.M.K./Vol. 393

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 177 London, August 21, 1945

TOP SECRET. Following for the Prime Minister from the Prime Minister, Begins: Your telegram of August 15th, No. 189. I am very sorry if you were embarrassed by our tentative suggestion for a British Commonwealth force in Japan being put to the United States Chiefs of Staff. Had time permitted we should, of course, have waited to consult Canadian and other British Commonwealth Governments before broaching the idea in Washington. But urgency of the situation left us no alternative. Ends.[143]

810. DEA/50061-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

TOP SECRET Ottawa, August 25, 1945

Dominions Office telegrams D. 1537† and 1538† of August 24th transmit a proposal from the United States Government for the establishment of a Far Eastern Advisory Commission in Washington to make recommendations on the policies and methods of enforcing the terms of surrender by Japan. An interesting feature of the proposal is that the suggested membership of the Commission would be the five great powers and Canada, Australia, New Zealand, The Netherlands and the Philippines. This is the first instance that has come to my notice in which the United States Government has taken an initiative to include smaller countries as principals in bodies of this sort. From this point of view it is, therefore, a welcome departure from the three, four or five power patterns with which we have become so familiar during the war.

I am a little surprised nevertheless at their inclusion of Canada in the list. The other states suggested for membership all have Far Eastern territories or like Australia and New Zealand a very direct interest in the Far East. In view of the line which we have taken at various times it would be difficult to refuse an invitation to participate. If this proposal comes to fruition, the seat of the Commission would be in Washington and participation should present no great difficulties for us. The only doubt in my mind arises from the thought that Canada may have been included in the expectation that we should be providing a contingent of occupation forces since our decision not to do so is probably not known in Washington.

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[143]Note marginale:
Marginal note:
nonsense. U.S. turned it down. K[ING]

The proposal may fall to the ground, of course, in face perhaps of the Soviet objections. I attach a draft interim reply for your consideration.[144]

811. DEA/50061-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 205 Ottawa, August 31, 1945

IMMEDIATE. SECRET. Your telegram Circular D. 1537† and 1538† of August 24th. Control of Japan. We are interested in the proposals of the United States Government for the establishment of a Far Eastern Advisory Commission in Washington and welcome the fact that they have taken the initiative in suggesting the membership of countries other than the great powers.

812. DEA/50061-40

L'ambassadeur des États-Unis au secrétaire d'État par intérim aux Affaires extérieures

Ambassador of United States to Acting Secretary of State for External Affairs

No. 382 Ottawa, October 8, 1945

Sir,

Acting under instructions from my Government, I have the honor to convey to you the following message:

"The Governments of the United States, the United Kingdom, the Union of Soviet Socialist Republics, and China have agreed to the establishment of a Far Eastern Advisory Commission for the consideration of political matters connected with the fulfillment by Japan of its obligations under the instrument of surrender. It is the desire of these Governments that the Commission include representatives of certain other states which have actively participated in the war against Japan and which are principally interested in the area of the western Pacific. A cordial invitation is extended to the Government of Canada to participate in the Commission."

Accept etc.

RAY ATHERTON

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[144]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Approved by P[rime] M[inister] and despatched 31-8-45 R[OBERTSON]

813. DEA/50061-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2342 Ottawa, October 8, 1945

TOP SECRET. Following for Robertson from Wrong, Begins: The United States Ambassador presented a note this morning, of which the text is given in my immediately following telegram,† inviting the Canadian Government to participate in the Far Eastern Advisory Commission. I told Mr. Atherton that, in my view, the Canadian Government was likely to accept the invitation, but that I would wish to secure authority from the Prime Minister before answering the note. Will you please therefore telegraph what should be said.

2. In this connection you will doubtless see in London Dominions Office telegram Circular D.1865 of October 5th,† which shows that the Soviet Government is pressing for the establishment of a control council in Japan before the Far Eastern Advisory Commission is established. Presumably the United States Government had decided to go ahead on the lines announced by the Secretary of State before he left London.[145]

3. At initial meetings of the Commission we should be adequately represented by the Ambassador in Washington with a civil and military adviser. I had thought of bringing back Norman,[146] but United States Intelligence is anxious for us to leave him in Tokyo for several weeks and I feel that this would be useful from several points of view. Ends.

814. DEA/50061-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 2924 London, October 9, 1945

TOP SECRET. Following for Wrong from Robertson, Begins: Your telegrams No. 2342 and No. 2343.† Prime Minister approves acceptance of United States invitation to be represented on Far Eastern Advisory Commission in Washington. Ends.

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[145] Voir États-Unis, *Department of State Bulletin*, volume 13, 7 octobre 1945, p. 545.
See United States, *Department of State Bulletin*, Volume 13, October 7, 1945, p. 545.

[146] Responsable du repatriement et du secours canadien, Tôkyô.
In charge of Canadian Repatriation and Relief, Tokyo.

815. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET Ottawa, October 10, 1945

...

FAR EASTERN ADVISORY COMMISSION; CANADIAN PARTICIPATION

13. THE SECRETARY reported that an invitation had been received from the U.S. government inviting Canadian participation in the Commission.

The Commission was to be composed of representatives of the governments of the United States, the United Kingdom, the U.S.S.R., China and other states which had actively participated in the war against Japan and which were principally interested in the Western Pacific area.

The Commission would concern itself with political matters connected with fulfilment by Japan of its obligations under the terms of surrender.

If Canada accepted this invitation, it would be represented at the initial meeting of the Commission by the Canadian Ambassador in Washington.

The Prime Minister had approved acceptance of the invitation.

(Telegrams, Nos. 2342 and 2343,[†] External Affairs to Canadian High Commissioner, London, Oct. 8, 1945; telegram No. 2924, Canadian High Commissioner, London to External Affairs, Oct. 9, 1945).

14. THE CABINET, after discussion, approved participation in the Commission in accordance with the invitation received.

...

816. DEA/50061-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur des États-Unis

Acting Secretary of State for External Affairs to Ambassador of United States

No. 96 Ottawa, October 11, 1945

Excellency,

I have the honour to acknowledge the receipt of your note of October 8th informing the Government of Canada of the establishment of a Far Eastern Advisory Commission by agreement between the Governments of the United States, the United Kingdom, the Union of Soviet Socialist Republics and China. I am happy to inform you that the Government of Canada accepts, with

pleasure, the invitation contained in your note to participate in the Commission.

Accept etc.

H. H. WRONG
for the Acting Secretary of State
for External Affairs

817. DEA/104-Es

Le secrétaire aux Dominions au secrétaire d'État par intérim aux Affaires extérieures

Dominions Secretary to Acting Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1914 London, October 13, 1945

IMMEDIATE. SECRET. While he was in London, United States Secretary of State told Secretary of State for Foreign Affairs that General MacArthur had a Japanese battleship, two Japanese cruisers and some Japanese submarines which he was proposing to sink, but that he intended to hold up decision as to whether to sink them or not until views of His Majesty's Government in United Kingdom, French Government and Soviet Government had been obtained. Mr. Byrnes said that his understanding had been at Potsdam that we wanted Japanese submarines to be sunk.

2. Subject to view of Dominion Governments, Mr. Bevin proposes to send reply to Mr. Byrnes in terms of my immediately following telegram. Should be glad to know as early as posssible whether you have any comments.

818. DEA/104-Es

Le secrétaire aux Dominions au secrétaire d'État par intérim aux Affaires extérieures

Dominions Secretary to Acting Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1915 London, October 13, 1945

IMMEDIATE. SECRET. My immediately preceding telegram. Following is text of proposed reply, Begins:

(a) We consider that United States Navy have a title to lay down policy for disposal of Japanese fleet.

(b) Our chief wish is to have an opportunity for carrying out technical investigation of some of Japanese ships and to have access to technical and other naval intelligence.

(c) We strongly support scrapping of submarines.

(d) We equally support scrapping of surface fleet.

(e) If, however, United States consult Russian and other Allied Governments, there is likely to be pressure for a division. As indicated above, we very greatly prefer that all Japanese ships should be sunk but if it is necessary to have a division, whether of the surface fleet alone or of both surface fleet and submarines, we should wish, in consultation with the Dominion Governments to put in a claim for a full British Empire share. Ends.

819. DEA/104-Es

Le secrétaire d'État par intérim aux Affaires extérieures au secrétaire aux Dominions

Acting Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 239 Ottawa, October 20, 1945

IMMEDIATE. SECRET. Your telegrams No. D. 1914 and D. 1915 of October 13th. Disposition of Japanese fleet. We are in accord with the terms of your proposed reply to United States Government.

820. DEA/50061-40

Le secrétaire aux Dominions au secrétaire d'État par intérim aux Affaires extérieures

Dominions Secretary to Acting Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1988 London, October 24, 1945

TOP SECRET. My telegram of October 16th, Circular D. 1934,[†] control of Japan.

Following is summary of instructions which have now been sent to United Kingdom representative on Far Eastern Commission (my telegram of October 15th, Circular D. 1921)[†] as regards line which he is to follow, Begins:

(a) It is difficult to lay down precise instructions in absence of information about United States ideas on activities of Commission now that U.S.S.R. appears unlikely to participate.

(b) His Majesty's Government in United Kingdom, however, attach great importance to obtaining a real voice in formulating Allied policy affecting Japan and in controlling directives sent to General MacArthur and those presented by him to Japanese Government. It was, of course, only on understanding that United States Government were ready to consider amendments to terms of reference for this purpose that we agreed not to proceed with our earlier proposal for Control Council in Tokyo and thus consented to make Far Eastern Commission principal channel for exerting our influence on treatment of Japanese.

(c) It is essential that this channel should be made an effective one. Principal means of ensuring this would seem to be to exercise maximum control over

issue of directives to S.C.A.P. and over those which he in turn issues to Japanese authorities, since this is now, and appears likely to remain, only means of giving effect to Allied policy towards Japan. Our interest in nature and effect of these directives is very great for following strategic political and economic reasons.

(i) In field of strategy, while we do not doubt that present policy of United States is to prevent Japanese military resurgence, His Majesty's Government in United Kingdom cannot ignore their particular responsibility for defence of British territories and communications in Far East and Pacific and their general interest which they share with other members of British Commonwealth in preventing future Japanese aggression. It follows that we must take a full part in framing of measures designed to fulfil this purpose.

(ii) Politically we are concerned to take all possible steps to ensure that actions taken by S.C.A.P. and orders given to Japanese authorities should not defeat their own object, e.g., by causing collapse of Japanese administrative system and consequent political chaos, and it is equally important that we should have an effective voice in formulating measures to be taken to encourage development of peaceful and responsible Government.

(iii) In economic field, future position of Japan will react directly upon the interests of many members of British Commonwealth and a divergence between British and United States views is not unlikely on such subjects as nature, extent and division of reparations and nature and direction of Japanese foreign trade (both of which involve question which Japanese industries shall be diminished, which encouraged and which left unchanged), Japanese financial and industrial organization, service of Japanese loans, supply from Japan of consumer goods to British territories in Far East and source of supplies to Japan of essential food and relief.

(d) It was with these considerations in mind that United Kingdom Government prepared amended terms of reference for Far Eastern Commission (my telegram of September 30th, Circular D. 1840 refers)[1] and United Kingdom representative is at outset of Commission's work to propose, on behalf of United Kingdom Government, that original terms of reference be amended accordingly.

(e) It is assumed in amended terms of reference that U.S.S.R. is to be represented on Commission. If she declines to be represented and if, after due consideration of difficulties which Russian non-participation would involve, other powers concerned are prepared to carry on without Russians, His Majesty's Government in United Kingdom would be prepared to agree. But we do foresee that serious difficulties might result from Russian non-participation. U.S.S.R. might in first place strengthen her hold on Manchuria and northern Korea which she might treat as an exclusively Russian zone. This would destroy what hope there is of obtaining food and other emergency supplies from Manchuria for Japan and would thus lay a greater burden on other Allied Powers. Russian non-participation would also greatly increase difficulty of arriving at agreed decisions about treatment of Japanese in many fields such as reparations in which a unified Allied policy is badly needed. It would,

moreover, jeopardize any prospect of a co-ordinated long term Allied policy on such question as strategic and economic controls which may be necessary after occupation is over to prevent re-emergence of Japan as a strong military Power.

(f) For these reasons, we consider Soviet participation most desirable and we should associate ourselves with steps taken to bring U.S.S.R. in.

(g) United Kingdom representative is to maintain closest touch with Canadian, Australian, New Zealand and Indian representatives on Commission. Ends.

821. DEA/50061-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur aux États-Unis

Acting Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3766 Ottawa, October 27, 1945

TOP SECRET. Far Eastern Advisory Commission.

The following general instructions are intended for your guidance. They will be modified and supplemented in the light of developments. You should observe particular secrecy over the reference in paragraph 5 to an understanding between the United States and the United Kingdom Governments that the former will support certain alterations in the terms of reference which were suggested to Mr. Byrnes when he was in London.

1. In the note received from the United States Ambassador,[147] Canada was invited to be represented on the Far Eastern Advisory Commission as one of quote certain other states (in addition to the four Great Powers) which have actively participated in the war against Japan and which are principally interested in the area of the Western Pacific. Unquote. Canada, as a nation facing the Pacific, is directly affected by developments in the Far East. She is therefore concerned to contribute to reaching whatever settlement may be best calculated to eliminate Japan as a threat to peace, to assist in the formation by the Japanese of a stable and democratic form of government, and to provide a basis for conditions of peace and eventual prosperity in East Asia. Thus, while the absence of Canadian occupation forces in Japan and the limited extent of active participation in the war in the Far East may deter the Canadian Government from taking the initiative in bringing forward proposals, especially in the early sessions of the Commission, the Canadian representative should not hesitate to make clear Canadian interest and concern. He should also be ready to support whatever proposals are most in accordance with Canadian policy as set forth in these instructions and such others as he may receive.

2. A conflict of opinion appears to exist between the United States and Soviet Governments (and to a much smaller degree between the United States and

[147] Document 812.

United Kingdom Governments) as to the kind of control machinery that should be set up in Japan during the period of occupation. The United States seems to be unwilling to relinquish much of the monopoly of control which she is in fact exercising, while the U.S.S.R. has asked for a Great Power control council on the lines of that which is operating—not too satisfactorily—in Germany. It may be that this difference in view will not come up for discussion in the Commission, but whether it does or whether it is dealt with directly by the Foreign Ministers or otherwise, the Commission's deliberations will inevitably be affected by it.

3. What appears most desirable from the Canadian point of view is a combination of:

(a) Retention of a single United States military command over Japan during the occupation period except perhaps in small areas;

(b) An Allied body (preferably the Commission itself) which will lay down general lines of policy.

4. These are not necessarily incompatible although they may be so regarded by certain nations. The principle of according to the United States a position of primary military responsibility avoids the practical difficulties inherent in setting up separate zones of occupation or in other forms of four-power administration. Moreover, there is an advantage in having the United States, as a power with both the means at her disposal and a reasonable degree of willingness to cooperate with smaller nations, made responsible for the execution of Allied policy. At the same time the exclusion of other countries, particularly the Soviet Union, from any real share in the control of Japan is difficult to justify. Indeed it might well encourage the formation of spheres of influence which it is in the general interest to avoid as far as possible.

5. Proposals directed towards the strengthening of the powers of the Commission should therefore be given favourable consideration. Among the proposals of this kind that may be presented it is known that the United Kingdom Government intends to suggest certain changes in the terms of reference originally put forward by the United States. These changes are in the direction of giving the Commission more authority to make recommendations and more power to pass on proposed directives to the Supreme Allied Commander on non-military matters. Also it will be proposed that the possibility of a veto right on the part of any one member be removed. The United States Government has indicated its intention to accept these amendments when they are proposed to the Commission. They should also be supported by the Canadian representative.

6. It is altogether probable that further changes will be proposed by other states in the direction of giving added powers and authority to the Commission. Insofar as these proposals would circumscribe the freedom of action of the United States they may be opposed by that Government. It is not possible to provide specific instructions in advance but in general amendments should be considered on their merits in the light of the two objectives mentioned above. Advantage should be taken of such opportunities as present themselves to

secure the agreement of the Soviet Union to recognizing the desirability of primary responsibility for the United States in matters of military administration and to secure the agreement of the United States to giving other nations a real voice in decisions affecting occupation and control policy.

7. The Canadian Government gives general support to the United States statement of initial policy as approved by the President and transmitted to the Supreme Commander for the Allied Powers.[148] The Canadian representative should be prepared to indicate this general support.

8. The position to be taken on specific proposals which the Commission may consider in the implementation of this policy will be subject to further instructions. There may be appropriate opportunity however in the early stages of the Commission's meetings to express agreement with those sections of the policy which deal with more general principles, e.g. Ultimate objectives (Part I); Relationship to Japanese Government (Part II, Section 2); Encouragement of Desire for Individual Liberties and Democratic Processes (Part III, Section 3); Economic Demilitarization (Part IV, Section 1), and the Promotion of Democratic Forces (Part IV, Section 2).

822. DEA/50061-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur aux États-Unis

Acting Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3767 Ottawa, October 27, 1945

TOP SECRET. Far Eastern Advisory Commission. My immediately preceding message.

We have received from the Dominions Office a summary of instructions which have been issued to the United Kingdom representative on the Far Eastern Advisory Commission. These are repeated in my immediately succeeding message.†

2. The general instructions to you for your guidance were prepared before we received this information from London. You will see, however, that there is agreement between our views and those of the United Kingdom Government on the desirability of obtaining a real share in the formulation of policy for countries other than the United States. While the United Kingdom instructions do not specifically mention the retention by the United States of primary responsibility for military control, there is nothing in them that conflicts with this point of view.

3. It is obvious that the strategic, political and economic interests of Canada are a good deal less extensive than those of the United Kingdom and we shall therefore be less likely to take the initiative in bringing forward proposals. You

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[148] Voir États-Unis, *Department of State Bulletin*, volume 13, 23 septembre 1945, pp. 423-7.
See United States, *Department of State Bulletin*, Volume 13, September 23, 1945, pp. 423-7.

will note the reference in paragraph (c)(ii) of the United Kingdom instructions to the importance of seeing that actions taken in Japan should not cause Quote collapse of Japanese administrative system and consequent political chaos. Unquote. This might indicate some anxiety in London as to whether the United States may be going too fast in breaking down the authoritarian structure of the Japanese political and economic system.

4. As regards paragraphs (e) and (f) of the United Kingdom instructions, you will note from our previous message that we share the view that it is desirable to have the U.S.S.R. participating fully with the other Allied Governments concerned. If the Soviet Government continues to refuse to be represented on the Commission and if the other members of the Commission wish to go ahead without them, we are ready to concur.

5. With regard to paragraph (g) of the United Kingdom instructions, you will be alive to the necessity of avoiding any appearance that the representatives of the British Commonwealth countries on the Commission constitute a bloc. This is especially important since half the seats on the Commission will be held by members of the British Commonwealth. On the other hand we wish of course that close touch should be maintained with the representatives of the United Kingdom, Australia, New Zealand and India.

823. DEA/50061-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3144 London, October 29, 1945

IMMEDIATE. TOP SECRET. Following for Wrong from Robertson, Begins: My immediately following telegram contains for your information and for transmission to Pearson, text of a personal message which the Prime Minister received on October 27th from Dr. H. V. Evatt through the Australian High Commissioner's office in London. The Prime Minister is inclined to think that the chairmanship of the Far Eastern Advisory Commission would most appropriately be filled by the American representative on the Commission. The fact that the meetings of the Commission are to be held in Washington would, in any case, strengthen the arguments for keeping the United States representative in the chair.

In view of the fact that Japanese resistance collapsed before there was any important Canadian military participation in the Pacific War and of the further fact that Canada does not expect to supply forces for the occupation of Japan, I do not think that our representative should take any very prominent part in the work of organizing the Far Eastern Advisory Commission. The Prime Minister would be grateful if Pearson could thank Evatt for his message, which has not yet been acknowledged, and use his own judgment as to which, if any, of the considerations mentioned in this message should be put to Evatt in

explanation of our reluctance to take the initiative in organizing the Commission. If the Commission decides to have one or more vice-chairmen we would, of course, be very glad to support the choice of the representative of Australia for such a post.[149] Ends.

824. DEA/50061-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3145 London, October 29, 1945

IMMEDIATE. TOP SECRET. Following for Wrong from Robertson, Begins: Message from Evatt, Begins:

I am very concerned about the successful functioning of the Far Eastern Advisory Commission which is to commence on Tuesday. As you have so generously acknowledged on several occasions, Australia's war effort has been a total one so far as the Pacific is concerned and our very life will depend on a just and severe peace for Japan. We fully recognize United States' claims for leadership in the South West Pacific, but I know you will agree that any semblance of dictatorship must be avoided and that the active and sustained belligerence of countries like Australia should be given full recognition.

One method of such recognition would be giving Australia the Chairmanship or Vice-Chairmanship of the Commission at Washington, preferably the former. I think that this could probably be arranged if you supported such a step and instructed Pearson accordingly. Certainly it would be deeply appreciated in Australia.

I am concerned in the matter solely for the status of my country. I am ready to work hard to make a success of this experiment in cooperation between belligerents in the Pacific theatre, irrespective of whether they belong to the Big Three or the Big Five. In a broad sense, we are struggling to carry out the principles for which you have taken the lead and I feel that a step forward might be taken if this suggestion were adopted. Very best wishes. Ends. Message ends.

[149] Aucun vice-président ne fut nommé. Le représentant des États-Unis fut nommé président.
No vice-chairman was appointed. The representative of the United States was appointed Chairman.

825. DEA/50061-40

L'ambassadeur aux États-Unis au secrétaire d'État par intérim aux Affaires extérieures

Ambassador in United States to Acting Secretary of State for External Affairs

TELETYPE WA-5650 Washington, November 3, 1945

TOP SECRET. Following for Wrong from Pearson, Begins: Cochram of the British Embassy handed me the following memorandum this morning, Begins:

Mr. Harriman has been instructed to present to Molotov, the revised terms of reference for Far East Advisory Commission together with proposals for an Allied Military Council in Japan. This second body is to be composed of four representatives of American, Chinese, Soviet and British Commonwealth. Its functions are to consult with and to advise Supreme Commander upon questions arising out of Japanese surrender terms. It will be consulted and kept fully informed by Supreme Commander but the last word will always rest with him and he can, if necessary, take decisions and issue Directives on his own. In presenting these two drafts to Molotov, Mr. Harriman is also to press him to arrange for immediate Soviet representation on Washington Commission. He is authorized to ask for a further interview with Stalin if necessary.

Mr. Harriman is to explain that whereas Far East Commission in Washington is concerned with formulation of policy, the Allied Military Council in Japan is intended to deal with the execution of the terms of surrender. Ends.

You will note the suggestion above that there should be a British Commonwealth representative on the proposed Military Council. I assume that this will not be satisfactory from our point of view, even though it should be acceptable to Australia or New Zealand. Ends.

826. DEA/50061-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur aux États-Unis

Acting Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3845 Ottawa, November 5, 1945

TOP SECRET. Your WA-5650 of November 3rd, Proposed Four-Power Allied Military Council in Japan.

You are right in assuming that it would not be satisfactory to us to have a British Commonwealth representative on the Council.

827. DEA/50061-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5738 Washington, November 12, 1945

IMMEDIATE. SECRET. Far Eastern Advisory Commission.

At meeting on November 9th it was agreed to set up a Commission immediately consisting of representatives from each delegation to study basic policies and objectives regarding Japan, through a review of existing Directives and orders. The initial report of this Committee is to be submitted to the Commission on Friday, November 16th.

The Committee met this morning and began its work with a rapid point by point review of the "United States Initial Post-Surrender Policy for Japan," which had been despatched to SCAP on September 6th and released publicly by the President on September 22nd. Dr. Evatt, who attended in person and was in the chair, led the discussion. At the conclusion it was decided that each delegation would submit whatever revisions it might wish to suggest by Wednesday noon. These will then be collected together and discussed by the Committee at its meeting Thursday morning. The results of this meeting will then be presented to the Commission on Friday for its consideration. Only Parts I (ultimate objectives), II (Allied authority) and III (political) will be dealt with at this time, leaving Part IV (economic) for the second report.

Copy of the Directive under discussion is included as FEAC 2 in the set of Commission documents forwarded to you with my despatch No. 2648 of November 10th.[†] The text is also available on page 3 of the *New York Times*, Sunday, September 23rd. (The last paragraph of Part III, Section 1 of this text, beginning "Laws, decrees and regulations" should be transferred to become the last paragraph of Part III, Section 3).

One broad issue raised at the outset was the question of whether this Directive could be said in certain instances to depart from the letter or spirit of the Potsdam Declaration of July 26th,[150] and if so, what attitude should be taken by the Commission. One of the examples cited was Part I, second paragraph, item (d): A positive statement regarding the opportunity for developing a peacetime economy, which was also linked with Part iv, Section 1, second paragraph, which refers to the elimination of industries whose "chief value.....is in preparing for war." Dr. Evatt thought that the emphasis should be on the negative side (elimination of war potential) and that there might be a conflict with Section 11 of the Potsdam Declaration. This has the definitely limiting clause that Japan shall not be allowed to maintain industries "which would enable her to re-arm for war." This would, on the face of it, eliminate heavy industry. But heavy industry could be retained under the present Directive on the grounds that its "chief value" is not necessarily military.

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[150] Voir États-Unis, *Department of State Bulletin*, volume 13, 29 juillet 1945, pp. 137-8.
See United States, *Department of State Bulletin*, Volume 13, July 29, 1945, pp. 137-8.

The more important sections singled out in this morning's discussion as probably requiring revision or re-statement (other than details such as substitution of "Allied Powers" for "United States" etc.) were as follows:

1. Part I, first paragraph, item (b) and Part II Section 2, third and fourth paragraphs (beginning "this policy"). It became obvious that the whole question of political objectives and the extent to which active measures should be taken to foster or enforce them would be very difficult to formulate in a manner satisfactory to all parties concerned. Is our object not an "early" rather than "eventual" establishment of a "democratic" rather than merely peaceful and responsible Government? (India and Australia). Is "as closely as may be" to democracy good enough? What if the "freely expressed will of the people" turns out to be in favour of an authoritarian form of Government? How adequately does the principle of non-intervention, in the event of the use of force by the Japanese people in effectuating a change in Government, represent our real aim? Under present conditions the Police Force is still under the Government and without active assistance such an uprising might have little chance even though it represented a genuine popular movement. And so on.

2. Part II, second paragraph. The statement that the U.S. policy "shall prevail" will obviously be revised in any new version.

3. Part III, Section 1, second paragraph. Should merchant shipping be included among the prohibited items? (Australia)

4. Part III, Section 3, third paragraph. Should Trade Unions be included among other "democratic" institutions and practices here listed as eligible for encouragement?

5. Part III, Section 3, fourth paragraph. Might it be advisable to elaborate on the provisions for the release of political prisoners "unjustly confined," to ensure that the purpose of this Directive is achieved?

I should be grateful for any specific suggestions you may wish to make regarding possible Canadian contributions to the draft revision or our position when the report is to be discussed on Friday.

Proposals are being submitted on the basis of this United States document as a matter of convenience. The report to the Commission will be in the form of a new statement of policy, since a "revision" of the present Directive would obviously be embarrassing to the United States.

828. DEA/50061-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3935 Ottawa, November 15, 1945

IMMEDIATE. SECRET. Your telegram WA-5738, Far Eastern Advisory Commission.

1. In discussing basic policies and objectives you can be guided by paragraph 7 of general instructions (EX-3766, October 27, 1945) indicating general support for statement of "United States Initial Post-Surrender Policy."

2. We believe this to be in essential accord with the letter and spirit of the Potsdam Declaration. Discussion of verbal refinements or undue emphasis at this stage on points of specific implementations would seem unprofitable.

3. Two examples to which you refer may be cited:

(a) The suggested difference between the two documents with respect to control of industries (your telegram under reference, paragraph 4) seems relatively unimportant as compared with the main emphasis on which both documents are in agreement. Decision as to which particular industries should be eliminated should await examination on the ground, without which it seems premature to attempt a theoretical solution.

(b) Similarly, the directives appear to be in essential agreement with the Potsdam Declaration regarding the revival and strengthening of democratic tendencies among the Japanese people, and the establishment of a peacefully inclined and responsible government. (Your telegram under reference, paragraph 5, section 1.) The appraisal, however, of particular political groups in Japan as to the genuineness of their liberalism and their ability to establish and maintain a democratic form of government must first be made by expert observers on the ground. The practical measures taken to encourage movements by such groups will have to depend on such expert opinion and counsel, but may well take the form of being on the alert to suppress any subtle attempts by Japanese to hinder liberal-democratic groups.

4. It would therefore seem desirable to use your influence in securing agreement on a revised statement that will be in general accord with the United States Statement of Policy, and to emphasize at the same time the dependence of the Commission on securing advice from experts on the ground. Until a decision is reached regarding the setting up of a control body in Tokyo this would seem to be as far as the present Commission will go. In the meantime we are at a disadvantage in not having first-hand reports from Japan, but press reports on the directives issued by General MacArthur would seem to indicate that in military, political and economic fields encouraging progress is being made towards the objectives laid down in the Potsdam Declaration and the United States statement.

829. DEA/50061-40

Mémorandum du chef, la troisième direction politique

Memorandum by Head, Third Political Division

SECRET Ottawa, November 23, 1945

I discussed with the Under-Secretary this morning the proposal that the Far Eastern Advisory Commission should pay a visit to Tokyo. He agreed that this seemed like a useful move to enable the Commission to assess conditions on the spot. At the same time, it was recognized that it would be most undesirable to

take any step that might have the effect of making Soviet participation more difficult to secure. The present situation, with regard to the occupation and control of Japan so far as the other Allies are concerned, is not unsatisfactory. If a delay of even several months in fixing the Commission's terms of reference would make eventual Soviet participation any more likely there is a good deal to be said for such a course.

It, therefore, would seem unwise to establish the final framework of the Commission before going to Tokyo. What seems preferable is to have the Commission, as now rather loosely constituted, visit Japan with a view to obtaining experience on the spot which would assist it to chart its future course. It might even be possible to persuade the Soviet Government to associate itself with this visit in some way. We know that they have people in Tokyo and, even if they did not act as members of the Commission, they might be prepared to join in its discussions in some capacity.

As there is to be a meeting of the Commission today, I telephoned Mr. Collins[5] and gave him an outline of our views as described above. He will pass them on to the Ambassador and let us know the outcome of the meeting.

[R. M. MACDONNELL]

830. W.L.M.K./Vol. 281

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, November 28, 1945

The Far Eastern Advisory Commission, which has been meeting in Washington for the last month, is going to Japan on a visit of inspection at the invitation of the United States Government. Members of the Commission are flying to Hawaii, whence they will proceed to Japan on a United States naval vessel, about December 15th. The visit is likely to take about six weeks in all.

Pearson has been our representative on the Far Eastern Advisory Commission, but it is quite out of the question for him to accompany it on this mission. Another possibility is Keenleyside, who knows Japan very well and who would be a valuable member on such a body. Against his going, however, are two considerations: (a) that December promises to be a busy month in Mexican-Canadian relations. The new direct shipping service is being inaugurated, a trade agreement has been negotiated and it is probable that the Minister of Trade and Commerce will be paying an official visit for its signature. For all these occasions the Ambassador should be present. (b) To justify his appointment, our representative on the Commission's Japanese trip

[5] Deuxième secrétaire, ambassade aux États-Unis.
Second Secretary, Embassy in United States.

should be somebody who would be in a position to continue to work closely on Far Eastern questions.[152]

With these considerations in mind, I venture to suggest that we should appoint E. H. Norman of the Department, who is now in Tokyo.[153] You will recall that Norman went out to Manila early in September to head the Canadian group arranging for civilian repatriation from the Orient. He very promptly went on to Japan, where the United States Army was anxious that he remain so that his extensive and special knowledge of Japanese political conditions would be available to General MacArthur's staff. For the last two months he has, in effect, been the head of the United States Army Counter-Intelligence Division in Japan.

If you approve, I would suggest that the United States be told that Norman will join the Commission, when it reaches Japan, as Canadian representative, travel and work with it there and return to the United States when the Commission completes its Japanese tour.[154] The experience would be useful to him and useful to the Government when he returns to his duties in Ottawa. Norman is young and will be junior to the representatives of other countries on the Commission. At the same time, he has a good manner and his really expert knowledge of the problems the Commission is being sent out to study is recognized by his colleagues in other foreign offices. I think it would be a very creditable appointment.

N. A. R[OBERTSON]

831. W.L.M.K./Vol. 394

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 236 London, November 29, 1945

IMMEDIATE. Addressed Canada No. 236, Australia No. 490, New Zealand No. 386. My immediately following telegram† contains summary of letter from United States Secretary of State to United Kingdom Ambassador, Washington, as telegraphed to us by letter on 21st November.[155]

2. Following are our views on United States proposals, Begins: We hold strongly the view that the first charge on exports from Japan should be to pay for approved essential imports in order to protect the interests of those

[152]Note marginale:
Marginal note:
I agree.
[153]Note marginale:
Marginal note:
I agree.
[154]Note marginale:
Marginal note:
I approve. W. L. M[ACKENZIE] K[ING] 30-11-45.
[155]Voir le document 834.
See Document 834.

countries who furnish supplies to Japan. This follows the policy adopted for Germany, which has strong support of Canadian and United States Governments. Any attempt to adopt opposite policy in case of Japanese exports might have awkward reactions on German position. Our view will be explained more fully in the general instructions on reparations which are in course of preparation. There is the further question of what currencies should be regarded as acceptable in payment for exports. In the case of Germany, the only acceptable currency is the dollar, and this is reasonable since the imports Germany requires come mainly from dollar areas. This precedent should not, repeat not, be followed in the case of Japan, since the imports required by Japan will come mainly from countries which do not need to be paid exclusively in dollars. The United States of America will, of course, pay dollars for goods which are to be consumed in the United States of America, and it may well be that this alone will provide all the dollars required for imports into Japan. In default of clear evidence to the contrary we should see strong objection to any insistence on payment in dollars by other recipients of exports from Japan, and wish to establish as soon as possible the principle that "acceptable currency" should be interpreted more widely and, in particular, should include sterling. We attach the utmost importance to this point.

Paragraph 4.[156] The first sentence would appear to mean that only the Americans are to have commercial contacts with the Japanese. We can see no security reasons why this should be so, nor could we accept it. Further, although the United States Commercial Corporation could quite properly handle goods for consumption to the United States, we could not agree that all exports from Japan to all destinations should be handled by the U.S.C.C.

Paragraph 5.[157] We do not like the sound of this, but it is difficult to make detailed criticisms until we have more information about the American proposal. Will you please press the Americans to explain it as soon as possible? If it is intended that the U.S.C.C. is to be the sole Allied procurement agency in Japan, we should object. In our view Japanese exports of goods normally dealt with by the Combined Boards should come under the Combined Board arrangements, including allocations and bulk purchasing where appropriate. Combined Boards are to be interpreted as covering their successor commitments. For any other goods in short supply we agree that an Inter-Allied Supply Committee to advise on allocations might be useful, though we reserve judgment until we see the proposed details. But neither on short supply nor on long supply items should we be precluded from sending our own buyers to Japan. Ministry of Supply's view is that it is impracticable to make purchases of most commodities except by having representatives on the spot. This applies particularly to silk and timber, in which the Ministry of Supply is chiefly interested. Ends.

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[156] Le cinquième paragraphe de la note reproduite dans le document 834.
The fifth paragraph of the note reproduced in Document 834.

[157] Le sixième paragraphe de la note reproduite dans le document 834.
The sixth paragraph of the note reproduced in Document 834.

3. These views have been telegraphed to United Kingdom Ambassador, Washington, who has been told that you have been informed of them. He has been requested to keep in close touch in the matter with your representative on Far Eastern Commission.

832. DEA/50061-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, November 30, 1945

The United States Ambassador told me the other day that Admiral Leahy had very much hoped to have a private word with you in Washington[158] about a suggestion Dr. Evatt had put forward in the Far Eastern Advisory Committee, which had worried Admiral Leahy a good deal. Evatt apparently had proposed that each country participating in Japanese occupation duties should have a definite and specified area assigned to it for administration and occupation, as opposed to the American thesis that countries participating in occupation duties should pool their contribution to the policing of the whole area.[159] Leahy feared that if different countries were assigned separate administrative areas, they would find themselves under domestic political pressures to reduce their occupation commitments unilaterally, and would perhaps even wish to pull out altogether, with embarrassing political consequences for the other countries sharing the task of occupation.[160]

Another difficulty Admiral Leahy saw in the Australian proposal was that it might be taken up with gusto by the Russians, who had been advocating separate zones of occupation in Japan along the German model.[161]

Mr. Atherton said that Admiral Leahy had been particularly anxious that he should convey these views of his to you in case the question came up for consideration by the Canadian Government.

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[158]Le Premier ministre avait visité Washington du 11 au 15 novembre.
The Prime Minister had visited Washington from November 11 to 15.

[159]Note marginale:
Marginal note:
I prefer the American thesis.

[160]Note marginale:
Marginal note:
I agree.

[161]Note marginale:
Marginal note:
I agree.

833. DEA/50061-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, December 7, 1945

I attach, for your consideration, a draft telegram to the High Commissioner in London[162] concerning a proposal made by the United States that an Allied Council should be set up in Tokyo with four members to represent the U.S., the U.S.S.R., China and the British Commonwealth of Nations. Pearson has already, on his own initiative, made some objection in Washington to the idea that the British Commonwealth can be collectively represented in this way.[163] He also reported on November 26th (his message WA-5922†, of which you received a copy) that he had heard that Evatt had written to the State Department proposing that "a British Commonwealth force" should share in the occupation of Japan.[164]

I think we should go on record against this suggestion at once, especially since the U.S. draft is one of the matters which Mr. Byrnes wishes to bring before the meeting of the three Foreign Secretaries in Moscow next week.[165]

834. DEA/8273-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6163 Washington, December 7, 1945

Reference your EX-4077 and EX-4078 of November 30th.†

Following is the text of a note received yesterday from the Department of State, dated December 5th, which is apparently the same note as was received by the United Kingdom Government, a summary of which was sent to you under Dominions Office telegram No. 237 of November 29th,† repeated to me

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[162] Voir le document 835.
See Document 835.

[163] Note marginale:
Marginal note:
correct.

[164] Note marginale:
Marginal note:
I am wholly opposed. Government policy has been settled for some time on this.

[165] Note marginale:
Marginal note:
by all means. W. L. M[ACKENZIE] K[ING] 7-12-45.

in your EX-4078 under reference. You will notice that a prompt reply to this present note from the State Department is requested. Text of note begins:

December 5th, 1945.

Excellency:

I have the honor to inform you that the Supreme Commander for the Allied Powers has reported to the United States Government that he has located the following stockpiles of material in Japan:

Rubber—10,000 tons;

Tin—4,200 tons;

Antimony—1,017 tons.

He has also stated that, although there are important uses to which these materials can be put in Japan, some portion of them can be made available for export if they are urgently required. The United States Government proposes to request him to maximize the amounts available for export by requiring the Japanese to adopt at least as strict conservation and substitution measures in the use of these materials as were adopted in the Allied countries during the war. On this basis it is believed that the major portion of the stockpiles can be exported.

It is the policy of the United States Government and of the Supreme Commander to require the Japanese to supply exports to pay for imports necessary to maintain minimum subsistence levels. It is important that decisions be made promptly with respect to the disposition of these commodities in order that essential imports can be procured without having to use United States Government appropriated funds. In order to accomplish this, it is also necessary to export these commodities to countries which can pay for them in exchange which can be used in the purchase of imports essential to the minimum requirements of the Japanese.

The United States has important requirements for the total available quantities of each of these three items and is prepared to pay for them in dollars usable anywhere for the procurement of necessary imports. It would be appreciated if your Government can agree to immediate shipment from Japan of exportable amounts of rubber, tin and antimony to the United States, subject to future reallocation, if necessary, by the Department of State acting in consultation with the Governments represented on the Far Eastern Advisory Commission and with the International Allocation authorities operating under the auspices of the Combined Raw Materials Boards. It is our understanding that shipment of these commodities to the United States is in accordance with the current pattern of world trade and it is believed would be approved by the Combined Raw Materials Boards. If reshipment is decided upon, the United States Government will undertake to make the necessary arrangements. Because of the urgency of this matter a prompt reply from your Government would be greatly appreciated. A similar communication is being addressed to each country invited to sit on the Far Eastern Advisory Commission.

For your information, it is the policy of the United States Government that, for the present, it is unwise for security reasons for Japanese nationals to have any direct commercial contact with nationals of the United States or of other countries. Therefore, arrangements have been made for the United States Commercial Company, a subsidiary of the Reconstruction Finance Corporation and an agency of the United States Government, to receive goods from the Supreme Commander and deliver them to consumers as directed by this Government. Its services might be available for deliveries to any other Government or country if requested.

This method for arriving at decisions with respect to exports from Japan represented by this note is considered to be temporary. The United States Government will probably propose to the Far Eastern Advisory Commission at an early date that there be set up an Inter-Allied Supply Committee, perhaps as a Sub-Committee of the Far Eastern Advisory Commission, as a vehicle for consultation between interested countries with respect to disposition of exports from Japan. This Government will probably recommend that such a Committee focus its attention particularly on goods in short world supply, permitting other types of products to be distributed to the purchaser offering the highest price, providing that exchange of goods are made available which can be used in meeting the minimum essential requirements of the Japanese for imports.

Discussions are now proceeding, looking towards the coordination of the responsibilities of such a Committee, if it were set up, with other international arrangements for allocating commodities in short world supply.

Accept Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:
WILLIAM L. CLAYTON

Text of note ends.

In paragraph (c) of your EX-4095 of December 1st,† you state that you are considering the advisability of sending out, with the Far Eastern Advisory Commission, an expert in the economic field and possibly a stenographer. I feel that I should take this occasion to emphasize the importance of this opportunity to send to Japan someone, possibly from the Department of Trade and Commerce, who is familiar not only with Japanese economy but also with commercial matters in that part of the world generally. I would be fearful that unless we do this, and in view of our lack of representation at Shanghai in the commercial field, our commercial interests in the Far East, post-war, will suffer. I would strongly recommend, therefore, that immediate consideration be given to the appointment of a commercial and economic expert to go with the Commission. The question of Japanese exports has already come up in the Commercial Counsellor's office here in a practical way and [been] reported on to the Department of Trade and Commerce. I would refer you in this connection to a letter from Mr. Scott to Mr. Harvey, dated November 6th last,† in which he reports on informal enquiries which he made at the State Department which resulted in his receiving, in fact, advance information that

the note from the State Department quoted above would be forthcoming in the not distant future.

From this end I am inclined to agree with the comments made by the United Kingdom[166] on the United States' proposals for the disposal of the surpluses mentioned in the note quoted above, and I feel that it is important that we should take steps to protect our interests not only in respect of temporary arrangements which may be made in this country in these matters, but also on the spot in the Far East.

835. DEA/50061-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 2900 Ottawa, December 8, 1945

TOP SECRET. Please refer to Dominions Office telegram Circular D. 2177 of December 3.†

In paragraph two of the revised terms of reference suggested by the United States for the Allied Council there is the proposal that one member of the Council should represent the British Commonwealth of Nations.

We feel that this would be misleading and convey an inaccurate impression of Commonwealth relationships. The nation of the British Commonwealth which is to be represented should be specified by name so as to avoid the interpretation that the Commonwealth as a whole is being represented. Please discuss this with the United Kingdom authorities and convey our views to them. We should be glad to have their comments.

This telegram is being repeated to the Ambassador in Washington for information.

836. DEA/50061-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 3618 London, December 11, 1945

TOP SECRET. Your telegram No. 2900 of December 8th, Allied Council for Japan.

1. We presume your reference is to Dominions Office telegram Circular D. 2176† rather than Circular D. 2177.†

[166] Document 831.

2. We feel certain, from previous discussions with United Kingdom authorities, that they have had no intention of accepting United States proposal for single British Commonwealth representation which was first mentioned in Dominions Office telegram Circular D. 2033 of October 31st.† They state that they have not deviated at all from the position outlined in Dominions Office telegram Circular D. 2077 of November 7th† advocating a Five-Power Council, on which both the United Kingdom and Australia would be represented. Nevertheless, I know that they consider it very likely that they may have to accept a Four-Power Council in face of expected insistence by United States and U.S.S.R. In such a situation they would be definitely opposed to membership of British Commonwealth representative as such. The only possibility along these lines they have considered is the appointment of Lieutenant General Northcote, who is in charge of combined Commonwealth forces, and who might be appointed strictly in that capacity. It is doubtful, however, if this proposal will be carried out because Northcote's status is not sufficiently high, and because military aspects of the Council are becoming increasingly less important than the political. Canada would not be involved in such a proposal as we have no forces under Northcote.

3. I am conveying your views on this subject to the Dominions Office immediately, as I understand that a meeting is being held this afternoon to consider this question. We shall inform you, as soon as possible, of the decisions taken at this meeting, in so far as we are kept informed.

4. You are aware, I believe, that the New Zealand Government has expressed objection to this proposal along the same lines as yours in telegram No. 377 of November 9th to the Dominions Office.†

837. W.L.M.K./Vol. 283

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, December 14, 1945

POLICY TOWARDS THE ZAIBATSU

The United Kingdom Government have asked for an expression of the views of the Canadian Government regarding the policy to be adopted toward the great Japanese business houses, collectively known as the Zaibatsu. The United States, Australian, and New Zealand Governments have expressed the view that the Zaibatsu should be broken up. Experts in the Foreign Office believe that if a democratic form of government were firmly established in Japan the Zaibatsu would not be likely to exhibit warlike tendencies, and that they might indeed play a useful role in preventing economic chaos.

Consideration given to the question by the Department suggests that it would be appropriate to send a telegram to the Dominions Office on the following lines:

"We are disposed to support the principle of breaking up the Zaibatsu. Although under a democratic form of Government they might not constitute a menace, it seems unlikely that they would make any positive contribution to securing such a Government for Japan. Indeed, during the formative stage, their retention might well impede the efforts of progressive and democratic groups. Similarly in the economic field, while their administrative talents would be useful, it would be too much to expect them to give leadership in effecting far-reaching reforms of Japanese economic institutions which we believe to be desirable."[167]

N. A. R[OBERTSON]

838. DEA/8273-40

Le sous-ministre du Commerce au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Trade and Commerce to Under-Secretary of State for External Affairs

Ottawa, December 20, 1945

Dear Sir,

Referring to the teletype message WA-6163 of December 7th from the Embassy in Washington and forwarded to me under cover of your letter of December 10th,† I am satisfied that the door must be kept open for us to obtain our proportion of commodities in short supply which may be available for export from Japan.

Naturally without information as to condition, grade, quantity, price, etcetera, no immediate commitments can be made. It is presumed that these materials are to be made available at or below current market values.

I would consider it most important in reply to the note from the State Department to avoid any inference that it would be satisfactory to us for the Commercial Company to transport materials immediately available to the United States for later distribution unless if re-shipment is decided upon it can be presumed that the United States will bear the increased cost and unless if retained by the United States alternative supplies and not only quota allocations will be made immediately available to the other interested powers.

Similarly it seems important that we should not limit the scope of our reply solely to measuring our interest in rubber, antimony and tin. Other materials to

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[167]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
I am inclined to agree with U.S., Australia and N.Z. Please speak to me of this. This telegram is O.K. It could be much stronger to say we *agree*.[168] I will give you my reasons. K[ING]

[168]Le télégramme fut envoyé au secrétaire aux Dominions le 24 décembre (voir télégramme N° 274 dans DEA/50061-40) sans les mots «are disposed to» dans la première phrase.
The telegram was sent to the Dominions Secretary on December 24 (Telegram No. 274 in DEA/50061-40) without the words "are disposed to" in the first sentence.

become available are equally interesting to us and the method of handling suggested in the note would not be satisfactory to us if experience with the Commercial Company's operations in Italy is a guide.

It is noted that the United States Government will recommend that the proposed Inter-Allied Advisory Commission should confine its attention to materials in short supply permitting other types of products to be distributed to the highest bidder. In view of the strength of the United States dollar position and of their relatively higher price levels, such marketing arrangements would be most prejudicial to Canadian interests if effected after shipment to the United States as in the case of supplies from Italy.

It is considered that the Inter-Allied Advisory Commission must review the possibilities of establishing a trading market for Japanese exports without their transference of the goods previously to the United States. In addition to other reasons given above, this is considered most important to Canadian shipping interests in the whole area for which homeward freight in the early stages of rehabilitation will be vital.

I am concerned that without the equivalent here of the Commercial Company we will be limited to bulk purchased items unless importation of materials indirectly through the United States is to be subsidized. This matter is receiving our careful attention and it may be that a government import purchasing organization will be required.

I would be very interested to know what attitude is taken by the United Kingdom Government to this note since it would appear that the course proposed would be even more prejudicial in their case.

It is considered that Colonel Cosgrave[169] should be kept fully advised of any immediate developments in this matter and if possible such information be forwarded to reach Colonel Cosgrave before departure from San Francisco December 27th.

Yours truly,

M. W. MACKENZIE

839. DEA/50061-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 3040 Ottawa, December 24, 1945

IMMEDIATE. TOP SECRET. Your telegram No. 3618 of December 11th. Allied Council for Japan. We note that in U.S. redraft of terms of reference

[169] Officier responsable du rapatriement de prisonniers de guerre canadiens dans le Pacifique du sud-ouest et au Japon.
Officer in charge of repatriation of Canadian Prisoners of War in the Southwest Pacific and Japan.

circulated at Moscow and quoted in Dominions Office telegram D. 2278 of December 21st† provision is still made for "a British Commonwealth of Nations member." We also note from their telegram D. 2277† that Byrnes will not agree to a separate Australian representative on the Council. Please inform Dominions Office that we would be very glad to see Australia represented on the Council but that we cannot agree with the language proposed by Mr. Byrnes for a British Commonwealth representative. Other phases of the discussions in Moscow have shown that the Soviet Government might be prepared to use such an arrangement as a precedent for resisting separate Canadian representation in situations of considerably greater importance to us. We also consider it important that the United States should be discouraged from making such proposals in future.

840. DEA/50061-40

L'ambassadeur des États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador of United States to Secretary of State for External Affairs

No. 427 Ottawa, December 29, 1945

Sir,

I have the honor to refer to my note No. 382 of October 8, 1945 and subsequent correspondence relating to the establishment of the Far Eastern Advisory Commission. Acting in the name of my Government and on behalf of the Governments of the United States of America, Union of Soviet Socialist Republics, United Kingdom and China, I now have the honor to extend an invitation to the Canadian Government to participate in a Far Eastern Commission on the basis of the following terms of reference:

I. Establishment of the Commission.

A Far Eastern Commission is hereby established composed of the representatives of the Union of Soviet Socialist Republics, United Kingdom, United States, China, France, The Netherlands, Canada, Australia, New Zealand, India and the Philippine Commonwealth.

II. Functions.

A. The functions of the Far Eastern Commission shall be:

1. To formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the terms of surrender may be accomplished.

2. To review on the request of any member any directive issued to the Supreme Commander for the Allied Powers or any action taken by the Supreme Commander involving policy decisions within the jurisdiction of the Commission.

3. To consider such other matters as may be assigned to it by agreement among the participating Governments reached in accordance with the voting procedure provided for in Article V-2, hereinunder.

B. The Commission shall not make recommendations with regard to the conduct of military operations nor with regard to territorial adjustments.

C. The Commission in its activities will proceed from the fact that there has been formed an Allied Council for Japan and will respect existing control machinery in Japan including the chain of command from the United States Government to the Supreme Commander and the Supreme Commander's Command of occupation forces.

III. Functions of the United States Government.

1. The United States Government shall prepare directives in accordance with policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency. The Supreme Commander shall be charged with the implementation of the directives which express the policy decisions of the Commission.

2. If the Commission decides that any directive or action reviewed in accordance with Article II-A-2 should be modified, its decision shall be regarded as a policy decision.

3. The United States Government may issue interim directives to the Supreme Commander pending action by the Commission whenever urgent matters arise not covered by policies already formulated by the Commission provided that any directive dealing with fundamental changes in the Japanese Constitutional structure, or in the regime of control, or dealing with a change in the Japanese Government as a whole will be issued only following consultation and following the attainment of agreement in the Far Eastern Commission.

4. All directives issued shall be filed with the Commission.

IV. Other methods of consultation.

The establishment of the Commission shall not preclude the use of other methods of consultation on Far Eastern issues by the participating Governments.

V. Composition.

1. The Far Eastern Commission shall consist of the representative of each of the States party to this agreement. The membership of the Commission may be increased by agreement among the participating powers as conditions warrant by the addition of representatives of other United Nations in the Far East or having territories therein. The Commission shall provide for full and adequate consultations as occasion may require with representatives of the United Nations not members of the Commission in regard to matters before the Commission which are of particular concern to such nations.

2. The Commission may take action by less than unanimous vote provided that action shall have the concurrence of at least a majority of all the

representatives including the representatives of the four following powers: United States, United Kingdom, Union of Soviet Socialist Republics and China.

VI. Location and organization.

1. The Far Eastern Commission shall have its headquarters in Washington. It may meet at other places as occasion requires, including Tokyo, if and when it deems it desirable to do so. It may make such arrangements through the Chairman as may be practicable for consultation with the Supreme Commander for the Allied Powers.

2. Each representative on the Commission may be accompanied by an appropriate staff comprising both civilian and military representation.

3. The Commission shall organize its secretariat, appoint such committees as may be deemed advisable and otherwise perfect its organization and procedure.

VII. Termination.

The Far Eastern Commission shall cease to function when a decision to that effect is taken by the concurrence of at least a majority of all the representatives including the United States, United Kingdom, Union of Soviet Socialist Republics and China. Prior to the termination of its functions the Commission shall transfer to any interim or permanent security organization of which the participating Governments are members those functions which may appropriately be transferred.

Accept etc.

RAY ATHERTON

PARTIE 6/PART 6

CRIMES DE GUERRE
WAR CRIMES

SECTION A

EUROPE

841. DEA/5842-40

Le ministre en Union soviétique au secrétaire d'État aux Affaires extérieures

Minister in Soviet Union to Secretary of State for External Affairs

TELEGRAM 29 Moscow, February 3, 1944

SECRET. My despatch No. 195 of November 17th.

1. In view of the change in the Soviet Constitution conferring authority in foreign relations on constituent Republics, and in view of decision of the United Kingdom Government to proceed with organization of War Crimes

Commission without Soviet participation, as outlined in your telegram No. 176 of December 18th, it would now be advisable not to reply to Soviet aide-mémoire of November 11th[170] as recommended in paragraph 6 of my despatch No. 195.

2. Our chief purpose is to have the Soviet Government understand our international status as an independent sovereign State. This can best be achieved by demonstrating that we follow an independent policy rather than becoming involved in debate on constitutional position. We have been assured that the Soviet Government understands the international position of Canada. Our general position will be weakened by further debate which implies comparison of position of constituent Republics with that of members of the British Commonwealth. Soviet Government can always point to participation of India in the League of Nations and in international conferences, while Australia and New Zealand publicly advocate closer co-ordination of Empire foreign policy. Participation of constituent Republics in international organizations has now become world problem with which we shall have to deal in common with other countries and no good purpose will be served by us appearing to put off the lead in opposing participation of constituent Republics which might be the inference drawn by the Soviet Government from further debate in our constitutional position in international affairs.

842. DEA/5842-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Union soviétique

Secretary of State for External Affairs to Ambassador in Soviet Union

TELEGRAM 25 Moscow, February 16, 1944

SECRET. Your telegram No. 29, February 3, War Crimes Commission.

1. We agree that, in view of the change in the Soviet constitution, it would not be advisable to reply to the Soviet's aide mémoire of November 11. There appears to be little doubt that Soviet Government understand our independent status and that their claims are put forward for other reasons. Further debate on constitutional question would lead to inference that we took lead in opposing participation of constituent Republics.

2. In the United Kingdom telegram December 8th[171] it was proposed that United Kingdom discuss with representatives of United States Government and Dominion Governments on Commission the question of Soviet claim for separate representation of Union Republics, as preliminary to bringing Soviet claims before Commission itself, and also to discuss best method of conveying views of governments represented on Commission to Soviet Government.

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[170] Voir le volume 9, documents 554 et 555.
See volume 9, Documents 554 and 555.

[171] Voir le volume 9, document 556.
See Volume 9, Document 556.

3. United Kingdom now advise, in telegram February 7th,* that United States considers it essential that issue of Soviet representation should not be discussed in the Commission or with all the governments represented thereon but "should be dealt with purely through diplomatic channel between the United States, United Kingdom, and Soviet governments."

4. United Kingdom state that, in view of urgency of officially establishing War Crimes Commission, it was agreed with United States that Sir Cecil Hurst[172] should inform Commission that United Kingdom Government see no objection to Commission's meetings now taking place on official basis, but that he should not refer to Soviet difficulties and that if and when Soviet participation can be arranged it can be fitted into work of Commission later.

5. In view of strong views of United States, United Kingdom have agreed to make no official communication to other Allied Governments regarding reasons for Soviet abstention from Commission.

6. United Kingdom pointed out to United States Ambassador in London that issue concerned all other interested governments and not United Kingdom alone. On January 31, after consultation with Mr. Winant, and immediately before announcement of constitutional changes in U.S.S.R., United Kingdom sent reply to Mr. Gousev's Note of October 18,[173] stating that there was nothing they could usefully add to their earlier explanation of views, that they were not the only Government directly interested, and that it remained their hope that Soviet Government would participate in accordance with resolution unanimously adopted by Allied Governments at Foreign Office meeting on October 20,[174] communicated to Soviet Government on October 22.

7. Re paragraph three above, we are inquiring of United Kingdom whether United States suggestion excludes discussion with Dominion Governments, as had been originally intended. (See our telegram No. 176, December 18, 1943). We are also stating that, although Canadian interest in war crimes is relatively slight, we are greatly interested in the broad issue of representation of Union Republics on international bodies, especially in view of the possibility that the U.S.S.R. may repeat their claim to representation of the Republics on other international bodies on which the Dominions are represented.

8. Although this issue is now a world problem, the United Kingdom appears to have been manoeuvred into the unenviable position of taking the lead and responsibility for opposing participation of the Union Republics.

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[172]Président et représentant de la Grande-Bretagne, la Commission des Nations Unies sur les crimes de guerre.
Chairman and representative of Great Britain, United Nations War Crimes Commission.

[173]Voir le volume 9, document 553.
See Volume 9, Document 553.

[174]Voir le volume 9, document 552.
See Volume 9, Document 552.

843. DEA/5908-40

Mémorandum du ministère des Affaires extérieures au conseiller juridique

Memorandum from Department of External Affairs to Legal Adviser

CONFIDENTIAL Ottawa, March 6, 1944

RE: CANADA'S RELATIONS TO THE UNITED NATIONS WAR CRIMES COMMISSION

Attached are a despatch of January 28, 1944, No. A.44,† and a telegram of March 2, 1944, No. 523,† from the High Commissioner for Canada in London dealing, amongst other questions, with the appointment of a Canadian Representative on the United Nations War Crimes Commission in London and enquiring whether Canada would wish to contribute financially to the expenses of the Commission.

I have not yet referred these communications, as I am not sure whether this raises a question of policy to be decided by this Department or whether it would be better to ask our Advisory Committee dealing with War Crimes for its views on the matter. You will remember that the question of Canadian Representation on the United Nations Commission was discussed on a few occasions by the War Cabinet [*sic*] but a final decision was deferred on the grounds that the conclusions reached at the subsequent meetings of the Commission would provide a clearer indication as to what participation in the work of the Commission would mean from the standpoint of Canada. It was stated that representation would depend partly on the degree of Canada's participation in the work of the Commission. I do not know to what extent our attitude was dictated by our desire to appease the sensitiveness of the Soviets.

However, being of the opinion that Canada should appoint a Representative on the Commission and should, as a consequence, contribute to its expenses, I should like to put forward the following suggestions for your consideration:

(1) Canada having associated itself with the United Nations should participate in Committees acting in the name of the whole group. Our decision should not be taken under the pretence that Canada is very little concerned in the work of the Commission, in view of the small number of Canadians who have suffered from war crimes, but should be taken on broader views, that is whether "war crimes should be punished with even-handed justice rather than by sporadic violence."

(2) Our Representation on the Commission would certainly help Canada to play an important role in post-war Europe, because the Governments of nearly all European countries are represented. If we fail now to show interest in vital European problems, I doubt that we would be welcome later on to give our views in the post-war period.

(3) If we claim at home that Canada is a Sovereign nation, we should endeavour to avoid a misinterpretation of our absence. It might be suggested that once more we preferred that the United Kingdom authorities represent Canada on an International body. The fact that Australia, New Zealand and

India have Representatives on the Commission should be borne in mind when a final decision is taken.

(4) Up to now we have in practice received many advantages from the Commission, being furnished with the minutes of the meetings and general information regarding the treatment of war criminals. I do not think it is right to take advantage of the information collected by the Commission without contributing to a certain extent.

(5) The telegram from the High Commissioner for Canada in London states that the seventeen Governments which are members of the Commission have agreed to contribute to the expenses. The sum involved would be approximately £400 per annum. If Luxembourg is able to spend this sum, I do not see how Canada can refuse to do its share. It is, I think, a question of prestige and national pride.

(6) The most serious objection in our opinion is that we do not have at present in London a Legal expert. This might be true, but I think that our High Commissioner is fully qualified to represent Canada on the Commission. With him could be appointed a delegate, a member of his Office, who could attend the meeting when the High Commissioner is not able to assist or when the questions discussed are not of major importance.[176]

P. A. B[EAULIEU]

844. DEA/4060-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 564 Ottawa, March 30, 1944

CONFIDENTIAL. Your telegram of March 2nd, 1944, No. 523,† regarding Canada's relation to United Nations War Crimes Commission.

On recommendation of Interdepartmental Committee, the War Committee agreed that a Canadian representative be appointed on the Commission and that Canada contribute appropriately to its expenses.

It is expected Canadian representative will be designated in the near future.

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[176] La note suivante était écrite sur ce mémorandum:

The following note was written on the memorandum:

Note

The contents of this memorandum were discussed at a meeting of the War Crimes Advisory Committee held on March 13, 1944, in Mr. A. G. Slaght's office in the House of Commons. It was agreed that recommendation should be made to appoint a Canadian representative on the United Nations War Crimes Commission. P. A. B[EAULIEU]

845. DEA/5842-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 61 London, April 27, 1944

SECRET. Your telegram No. 21 of February 15th.[176] War Crimes Commission. Delay in replying is regretted.

1. Assumption is correct that in light of United States views on this question we do not propose to hold any further discussions on question of separate representation of Soviet Union Republics on the Commission unless and until Soviet Government themselves return to the charge. Should this occur you will, of course, at once be informed. We have borne in mind in this connection Canadian Government view (your telegram No. 197 of December 17th, 1943[177]) that Russians might be allowed to go their own way in the matter of dealing with war crimes without renewed effort on our part to secure their membership on the Commission.

2. As regards paragraph 2 of your telegram under reply there is little to add to information given in my telegram Circular D. 182 of February 7th.† At his interview with the Secretary of State for Foreign Affairs referred to in that telegram, Mr. Winant did not go into detail about United States Government's reasons for considering that question of Soviet representation should be settled as between Governments and not in the Commission itself. We had understood, however, from United States State Department Legal Adviser that Mr. Hull was always cautious about giving confidential information to United Nations Governments as a body, as he felt that one or other of them might yield to temptation to use such information for their own interests. Moreover, State Department had indicated to His Majesty's Embassy in Washington that they felt that issues involved in question of Soviet representation were extremely delicate. It seems likely that United States Government felt some reluctance in allowing a question directly affecting relations between the major Allies to become matter for general discussion among minor European Allies, or on a Commission composed not of Government representatives but of legal experts with no mandate to decide or make recommendations upon important political issues. The United States clearly preferred not to take any initiative which might encourage Soviet Government to invite views of other Governments and more particularly of the United States Government on this question. Ends.

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[176] Voir le document 842.
See Document 842.

[177] Voir le volume 9, document 557.
See Volume 9, Document 557.

846. DEA/5908-40

Le conseil honoraire, le Comité consultatif sur les crimes de guerre, au secrétaire d'État aux Affaires extérieures

Honorary Counsel, War Crimes Advisory Committee, to Secretary of State for External Affairs

Toronto, November 8, 1944

Dear Sir,

I have read with some concern recently the Minutes of the Meetings of the United Nations War Crimes Commission in London which disclose very substantial differences of opinion by its members and frequent divisions in voting on various items which indicate a pretty closely split division of thought in the members representing the various countries, also a minority report of 27th September presented by Dr. V. Ecer.[178]

I have also read the draft Convention for the Establishment of a United Nations War Time [Crimes?] Court and recommendation for the establishment by Supreme Military Commanders of mixed military tribunals for the trial of war criminals.

These have been forwarded by Sir Cecil Hurst as Chairman to Mr. Anthony Eden as Secretary of State for Foreign Affairs by letter of 6th October, 1944,† with a suggestion from the Commission that he should convene in the near future a *diplomatic conference* to consider and if thought fit to conclude a convention for the establishment of a United Nations War Times [Crimes?] Court. (Copy appended hereto).

Canada has not been represented on the Commission and has not attended the meetings for a very long time.

I have been somewhat concerned with the lack of progress and lack of practical results in the work of the Commission and with its varied racial and international membership I doubt very much whether the presence of a Canadian member at the Sittings of the Commission for many months past would have been able to make much difference in the result.

It does seem to me, however, that if Mr. Eden should summons in the near future a diplomatic conference as suggested by Sir Cecil Hurst and the Commission unanimously—that Canada *should* be represented at such conference and take a real interest in its deliberations.

In expressing my real thoughts regarding this whole matter to you frankly, I am not unmindful of the following facts:

1. The problem undertaken by the Commission is one of extreme difficulty.

2. The racial, national and linguistic differences of the dozen or more nations represented adds tremendously to the difficulty of the task in hand.

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[178] Représentant de Tchécoslovaquie, la Commission des Nations-Unies sur les crimes de guerre.
Representative of Czechoslovakia, United Nations War Crimes Commission.

3. We have only the official written text of the meetings and the official recommendations which emanate from the Commission from time to time, with the result that we are viewing the matter from afar and without the atmosphere of the actual conferences.

Let me make it very clear that I do not think we have lost anything whatever in not having had up to this stage a representative actually present at all these meetings.

Now that I have expressed my fears and doubts, I feel it incumbent upon me, in my capacity as Honorary Counsel, to submit to you, as Head of the Department of External Affairs, the following advice based upon my study of the problem over the last year and my consideration of the immediate problems which are confronting this as well as other interested countries:

1. That Canada should, through the Secretary of State for External Affairs, communicate with the British Foreign Secretary with a view to impressing upon him the urgency of complying with the recommendations embodied in Sir Cecil Hurst's letter. It should be made clear that the Canadian Government considered that it was a matter of the utmost importance to insure that a practical and effective organization should be set up without delay to deal with this problem. The scope of the conference should extend beyond the mere consideration of the draft Convention. It should require the conference to provide for the organization and establishment of efficient and expeditious administration of international criminal justice based upon sound principles.

2. That this request should go forward by cable in the usual form of diplomatic communications and Canada should select someone to go over and attend such a conference.

3. That Canada should take steps to give effect to a recommendation that the Armistice or preliminary Peace Treaty or the first document which the Allied Nations require Germany to execute on the cessation of hostilities should contain a *powerful clause* under which Germany agrees to the arrest, trial and punishment of all *Germans* and *all subjects* of Axis countries which are now or have been allied or in co-operation with Germany and all citizens of *any* country who have as co-operationists or otherwise lent aid or assistance to Germany or other Axis countries in connection with the prosecution of the war, by and under the direction of such

(a) United Nations War Times [Crimes?] Court;

(b) Mixed military tribunals of the Allied Nations;

(c) Tribunals set up by any individual Allied Nation.

Such document should contain a further powerful clause under which Germany agrees that the above tribunals (a), (b) and (c) have full power to release from custody whether in Germany or in any other country all persons detained in custody whether for alleged political offences or otherwise and to grant to them complete pardon and relieve all such persons from the payment of any fine or levy which may have been imposed upon them.

(NOTE: The last clause of paragraph 3 above is intended to make it impossible for German citizens or such German Governmental authorities as

she may set up with the permission of the Allies for the regulation of her own internal domestic affairs—from taking exception to or feeling aggrieved by our tribunals instantly releasing any political or other prisoners who have in our judgment been unfairly and improperly imprisoned during the Hitler regime. So far as I recall, the Commission in London have never discussed or dealt with this phase of the post-war situation in Germany and it would be a wise precaution to provide for it.)

4. That Canada should respectfully submit for consideration by the Commission presently functioning and by any subsequent diplomatic conference that Mr. Eden may convene— the following amendments to the "Suggestions" contained in C.59 of date 6th October, 1944,[†] copy of which Commission Suggestions are appended to this letter in order to simplify the ready review of the proposed amendments:

(a) "Suggestion 3"[179] should have added after the last word "war" a comma, and the following phrase: "as the same shall be interpreted by and in the discretion of the tribunal trying each case."

(b) "Suggestion 4"[180] should be amended by substituting *"three members"* for *"five members"* in each tribunal.

(c) "Suggestion 5"[181] should be amended by striking out all words contained therein after the first six words and as amended should read as follows:

"5. Rules of procedure should be framed by and governed by the particular tribunal in each case to be tried."

The various recommendations for prompt action by Canada with reference to attendance at the diplomatic conference are made because I think it extremely desirable that the Allied Nations should be ready in all respects to set up and put into operation tribunals for trial of war criminals *immediately* Germany collapses. The punishment of these guilty men is amongst our war aims. The example not only to Germany and the Germans but to the Japanese

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[179]Cette note et les deux prochaines reproduisent des extraits du document «Suggestions to accompany the Recommendation for the establishment of mixed military tribunals.» La suggestion 3 se lisait comme suit:

This footnote and the next two reproduce extracts from the document "Suggestions to accompany the Recommendation for the establishment of mixed military tribunals." Suggestion 3 was as follows:

3. Each Tribunal should have jurisdiction to try any enemy national who is charged with having committed an offence in violation of the laws and customs of war, subject, however, to the conditions contained in the recommendation of the Commission (Commission Document C.52(1), 22 September 1944). The law to be applied by the Tribunals will be the laws of war, i.e., the international law to be found in treaties, in custom, and in the unwritten law of war.

[180]La suggestion 4 se lisait comme suit:

Suggestion 4 was as follows:

4. For the trial of cases each Tribunal should consist of not less than five members.

[181]La suggestion 5 se lisait comme suit:

Suggestion 5 was as follows:

5. The rules of procedure should be consistent with practices which are usual in civilized countries and should be framed by the Appointing Authority.

(against whom presumably we will still be fighting) would be of the utmost importance.

The long months of delay on the part of the Commission in producing a practical plan for immediate operation might precipitate a serious situation if the German collapse occurs now at any day as it *might*. Any steps Canada can take to put on pressure to speed up the situation and bring into being a definite convention that can act immediately should be of great benefit not only to us but our Allies.

With reference to my proposed amendments to the Suggestions that the Commission have drawn up and sent to Mr. Eden, it will be obvious to you that they are all intended to simplify the procedure and to give a wide discretion to each tribunal rather than to fetter it and hedge it round with legal restrictions. We must trust these tribunals to act justly and fairly and if we surround their procedure with all sorts of inhibitions at the outset the whole process will turn out to be very unsatisfactory.

Three members of a Court should be ample. When you enlarge it to five it becomes more cumbersome and less efficient.

Speed in setting up the tribunals and prompt functioning by them is all important.

The testimony of ex-prisoners of war will be available on the spot. Criminals can be immediately identified and arrested.

All prisoners of war will resent delay in their repatriation but some of them will have to be detained in Germany to testify before these tribunals and a lengthy detention will create great dissatisfaction.

Yours sincerely,

A. G. SLAGHT

847. DEA/5908-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 1465 Ottawa, November 16, 1944

SECRET

Sir,

A situation has arisen with regard to the position of the treatment of war crimes by the United Nations War Crimes Commission in London, which requires special consideration. In Document C.60 dated October 6, 1944,† the Chairman of the Commission, Sir Cecil Hurst, addresses a letter to the Foreign Secretary transmitting a draft Convention for the establishment of a United Nations War Crimes Court, together with an explanatory memorandum and the text of a recommendation for the establishment of mixed military tribunals,

with suggestions to accompany the recommendation, which are set forth in Document C.59.†

2. In transmitting the documents, the Chairman expressed the hope that the Foreign Secretary would take the necessary steps to convene a diplomatic conference and, if thought fit, to conclude a Convention for the establishment of a United Nations War Crimes Court.

3. You are doubtless familiar with the provisions of these documents but, for the purpose of convenient reference, I am attaching copies of C.60 and C.59. The draft Convention is somewhat longer and you already have copies in your possession. (See your despatch A.589, October 3,1944,† Documents C.50(1) and C.57; also your despatch No. A.597 October 9, Document C.58).†

4. A communication has been received from the Honorary Counsel of the War Crimes Advisory Committee† submitting proposals along the following lines:

(a) Canadian representation at the Conference;

(b) The necessity for adequate armistice terms dealing with war crimes and criminals;

(c) Specific proposals for revision of the suggestions accompanying the recommendation for the establishment of mixed military tribunals;

(d) The urgency of prompt action.

5. The first question concerns Canadian participation in this Conference. There is complete agreement with Mr. Slaght's suggestion as to the need for Canadian participation in this Conference, but it is thought that the desirable course would be for you to discuss the arrangements for the Conference with the appropriate representatives of the United Kingdom Government. It would be appreciated if you would obtain advance information with regard to the plans for convening this Conference, as the Government will want to make arrangements for Canadian representation. In discussing the matter, it should be made clear that the delay in arranging for Canadian representation on the Commission does not mean that there is any lack of interest in this question. It should also be made clear that it would be desirable to broaden the scope of the Conference. The deliberations of the Commission have resulted in a good deal of confusion. The suggestions and plans are so complicated that they cannot be understood by ordinary men, and the procedures are so cumbersome and intricate that they involve disastrous delay in the trial and conviction of war criminals. The Conference would need to take the results of the researches of the Commission and build anew a clear-cut and simple organization designed to administer speedy justice in accordance with sound legal principles. From the point of view of timing, it would be advantageous if the Conference could be held in London during the latter part of January or early February. Mr. Slaght will then be at the Privy Council. There are few members of the legal profession with as an [*sic*] extensive a knowledge of the practical aspects of the problem, and, if the Conference were held at that time, his services would probably be available in an advisory capacity.

6. The question raised by Mr. Slaght with regard to armistice terms is one that may need to be dealt with through different channels. His suggestions are receiving consideration at the present time, and you will be informed with regard to the action taken whether or not it becomes necessary for you to take the matter up with the United Kingdom authorities.

7. These specific proposals for the revision of the suggestions in Document C.59 are all matters which would merit careful consideration. They could only be finally dealt with at the Conference, but it would be well to bring them to the attention both of the United Kingdom authorities and of Sir Cecil Hurst, in order that they may be examined in advance by the United Kingdom Government and those who were directly concerned in the work of the Commission.

8. With regard to the question of the urgency of prompt action, the considerations advanced by Mr. Slaght are sound. It would be undesirable to have matters dragged out, especially if it involved the retaining of Canadian Naval, Military or Air personnel for an unduly long time in Europe for the purpose of giving testimony at prospective trials. There is nothing to be gained by delay and everything to be gained by the disposition of this matter with all speed that may be considered in the proper administration of justice.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

848. DEA/5908-40

Le secrétaire dÉtat aux Affaires extérieures
à l'ambassadeur aux État-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4932 Ottawa, December 14, 1944

Re: War Crimes

1. Mr. Arthur Slaght, Honorary Counsel of Canadian War Crimes Advisory Committee, expects to be in Washington Monday, December 18, from Toronto. He will be on legal business, but would like to take advantage of his presence there to talk over war crimes questions in a general way with Hackworth.[58] We shall tell Slaght to wire you precise date of arrival, place of stay Washington, and other details and ask him to communicate with Embassy by telephone upon arrival.

2. In the meantime, it is desired that you should bring annexed draft memorandum to Mr. Hackworth's attention. The Legal Adviser of the Department and the Canadian War Crimes Advisory Committee, as well as

[58] De la direction juridique, département d'État des États-Unis.
Of the legal division, Department of State of United States.

Mr. Slaght, have been concerned with war crimes problems for a long time now and have been following with very much interest the proceedings of the United Nations War Crimes Commission in London. Canada has not been actively represented on this Commission and we are naturally diffident to put forward any proposals of a revolutionary character. On the other hand, we have been confused by the mass of material which has been put out by the Commission and by the lack of any simple plan and procedure. The war criminals will have to be tried by improvised tribunals and, unless there is provision for simple, speedy, and fair justice, there is likely to be a judicial scandal which will not be creditable for the United Nations. The very eminent jurists who have been dealing with this problem have shown great learning and industry and the difficulties which have arisen result from their failure to envisage the problem of speedy trials in which hundreds, thousands, tens of thousands or even hundreds of thousands may have to be disposed of in a short period of time. They are talking, for instance, of trying all the Gestapo and all the S.S. troops. If that is done, the suggestion of hundreds of thousands may not be wholly adequate to give an idea of the magnitude of the job.

3. Having in mind the urgent need for simplicity and practicability, we have ventured to prepare a very rough outline of a comprehensive plan designed to take in the whole field of war crimes. We thought it might be worthwhile to bring it to the attention of Mr. Hackworth and also of Sir William Malkin[18] in case it might suggest to them the possibility of a simple plan capable of being understood by the army officers who will be manning military courts and other persons who are not necessarily great jurists but who may be concerned in one aspect or another of the war crimes problem.

4. Along with this explanation, it would be appreciated if you would bring this draft memorandum to Mr. Hackworth's attention. [Draft begins:

(1) The problem of war crimes has been studied by the United Nations War Crimes Commission in London, the members of which have, in turn, consulted eminent jurists. The result has been a mass of undigested proposals, counter-proposals, memoranda and opinions which do not furnish a workable policy for dealing with the criminals and which offer no comprehensible guide to tribunals and prosecuting officers.

(2) This memorandum is based upon certain assumptions:

(a) that the plan for dealing with war criminals should be simple, clear, and comprehensible;

(b) that the procedure and law to be applied should be simple enough so that it can be understood both by the prosecuting officers and by the members of the courts. It should also, if possible, be simple enough to be understood by the accused or, at any rate, by counsel for the accused;

(c) that the plan should fit in with the express desires of the countries primarily affected;

[18]De la direction juridique, Foreign Office de Grande-Bretagne.
Of the legal division, Foreign Office of Great Britain.

(d) that it should be based upon easily defensible, legal, and political principles.

(3) The first clear principle which emerges in considering this problem is that a war crime committed in a particular country, e.g. Holland, can be, and almost certainly will be, a crime under Dutch law. If the victim of the war crime is Dutch, it is clear that the accused should be turned over to the Dutch authorities and dealt with by them in accordance with their ordinary laws. In dealing with the problem, the Dutch courts should have no difficulty. If the act is justified by the laws of war, the accused should be acquitted. If it is a crime under Dutch law and the act is not justified by the laws of war, the accused should be convicted. If there is a gap by reason of the Dutch law failing to assert jurisdiction in the particular circumstances, Dutch legislation could fill the gap.

(4) The second clear principle which emerges is that an act may be a war crime under the law of the place where it is committed but the victim may be a member of a military force, e.g. a Canadian prisoner in a German prison camp in France; an English soldier against whom a war crime has been committed in Belgium; a United States soldier against whom a war crime has been committed while he was a prisoner in Germany; a French soldier against whom a war crime has been committed while on German soil. In all of these cases, the essential quality is that it has been committed against a soldier (it might be an airman or sailor) of a particular nationality. They all have one thing in common, namely that the soldiers in question are members of the Allied armies and under an Allied command. Accordingly, the simplest way of dealing with these cases is to provide that, in all instances, they are to be justiciable by military courts established by the Commander-in-Chief involved. In France, Eisenhower would set up the courts; in Italy, Alexander; in the East, Stalin; in Burma, Mountbatten; in the Australian, Philippine area, MacArthur; in the Pacific, Nimitz.

(5) These courts would function as military courts appointed by an Allied leader in his capacity of being an Allied leader. They could not apply United States law, United Kingdom law, or any other particular law (although it would be impracticable to get the courts on the eastern front to apply anything but Soviet law). It would be necessary, therefore, to invest these courts with jurisdiction and to give them directions as to the legal principles which they would apply by agreement between the Allied governments who were concerned.

(6) In giving directions to the courts, they should be permitted to make their own rules of procedure subject to the following directives—in providing for procedure, charges must be presented in writing; the accused must be given copies of the charges, translated if necessary into his own language; the accused must be permitted to defend himself or to be defended either by counsel or by a fellow officer or soldier; the accused must be permitted to present evidence on his own behalf; and he must be given reasonable opportunity and facilities for making his defence.

(7) The courts should be directed, in determining whether an act complained of constituted a war crime, to treat acts as being war crimes which satisfied the following tests:

(a) the act in question must not have been justified by the laws of war as recognized among civilized countries;

(b) the act complained of must have resulted in death or serious injury to a member of the Allied forces and, for this purpose, "a member of the Allied forces" may be given the broadest construction possible under the laws of the force concerned;

(c) the injury must have been sufficiently severe to result in serious permanent disability;

(d) the act must have been contrary to the principles of humanity.

Within the limits of these principles, the tribunals should use their own judgment in determining whether an act complained of constituted a war crime.

8. The most important war crimes are political in character and the most important war criminals are the German, Italian, and Japanese political leaders who have had the major responsibility for the prevalence of war atrocities in the present conflict. They should not be dealt with by either the local authorities or the military courts. There should be established a political court before which they would be subjected to impeachment. The jurisdiction of the court and the manner of its operation should be determined by a multilateral treaty or agreement.

9. In order to give effect to these proposals, it would be necessary to provide for the conclusion of a multilateral pact, the parties being either the United Nations or those of the United Nations which have been actively engaged in hostilities. There should be annexed to this draft memorandum a draft pact (not yet prepared) designed to accomplish the following purposes:

(a) The establishment of the foundation for proceedings before military courts along the lines suggested in this memorandum;

(b) the establishment of the foundation for proceedings before the general political tribunal along the lines suggested in Section 8 of this memorandum;

(c) Ancillary measures (this part might consist largely of the provisions of the draft Convention[7] now under consideration or, in the event of the conclusion of the draft Convention, there might be no need for ancillary provisions).

Draft ends.

849. DEA/5908-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 3449 London, December 23, 1944

SECRET. My telegram No. 3372 of December 14th† concerning proposed Conference to consider a United Nations War Crimes Court.

2. Discussed question in light of your despatch No.1465 of November 16th with Sir Cecil Hurst on December 19th. Hurst told me then that he had no idea when suggested meeting would take place, and gave me the impression that he was not very fully informed about policy of the United Kingdom authorities in regard to the considerations raised in your despatch. The only point of real interest which he made was that in his view probably not more than 5% of the war criminals would be tried by any United Nations body, the vast majority being dealt with by National Courts.

3. Hurst would, of course, be extremely pleased to have Canada actively associated in the work of the Commission and, at his urgent request, I agreed that a member of my staff should attend as an observer one of its meetings, which took place on Wednesday. My representative was not greatly impressed by what this particular meeting accomplished, though admittedly an isolated meeting may not be considered a fair test of what the Commission is doing. The subject under discussion was an Australian proposal for modification of the system now in use for the collation of evidence. No important conclusions were reached. Representation at the meeting was not calculated to inspire confidence in the future of the Commission. The United States, for example, had as its spokesman an Army lieutenant.

4. A member of my staff also discussed the considerations raised in your foregoing despatch with Sir William Malkin at the Foreign Office this afternoon. Malkin gave the impression that it was highly improbable whether the suggested Conference would ever take place.

The United Kingdom authorities were not disposed to favour the setting up by treaty of a United Nations War Crimes Court. The reason he gave was that to do so would be a lengthy business and it was hoped the war would be over long before such a treaty could be concluded. The United Kingdom Government informed the United States Government of its view about 6 weeks ago and is now awaiting an answer. It is understood that the State Department agree that a United Nations War Crimes Court of the sort suggested by the Crimes Commission is not practicable. The attitude of the War Department is, however, not known. I understand moreover, that the Soviet authorities too have been consulted. Malkin thinks that they may favour an International Court, but in view of Soviet attitude to War Crimes Commission, even if the United Kingdom and the United States were to agree to the proposal, it could hardly be built on the superstructure of the Commission.

5. Malkin thinks there is much more to commend the concept of the Mixed Tribunal, which would need no implementation by treaty and which could operate under orders from the Supreme Allied Military Commanders. The fact that there is no Supreme Allied Military Command under which the Russians come, however, is considered a disadvantage.

6. The foregoing of course indicates that whole question is still most unsettled here. My representative was careful to indicate that, in the view of the Canadian Government, prompt action was highly desirable, for the reasons you gave. Malkin said that the United Kingdom authorities were of the same opinion and it was hoped that the Governments of the United States and Soviet Union would soon express their views and thus lay a foundation for early agreement.

850. DEA/5908-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 24 Washington, January 3, 1945

SECRET.

Sir,

With reference to your teletype No. EX-4932 of December 14, enclosing a secret draft memorandum regarding proposals for dealing with war criminals, I have the honour to state that this memorandum was brought to the attention of Mr. Hackworth on December 15 before Mr. Slaght's visit. We have now received a reply from Mr. Hackworth, copy of which is enclosed.

I have etc.

M. M. MAHONEY
for the Ambassador

[PIÈCE JOINTE/ENCLOSURE]

Le conseiller juridique, le département d'État des États-Unis, au ministre, l'ambassade aux États-Unis

Legal Adviser, Department of State of United States, to Minister, Embassy in United States

SECRET Washington, December 30, 1944

Dear Mr. Pearson,

I want to thank you for your letter of December 15' and its enclosure which I have read with great interest and which I have taken the liberty of forwarding to the War and Navy Departments.

I was pleased to have an opportunity to discuss the subject with Mr. Slaght when he called some days ago.

With regard to paragraph 7(C), it occurs to me that crimes may well have been committed which merit punishment, although they have not resulted in serious permanent disability.

Yours sincerely,

GREEN H. HACKWORTH

851. DEA/4060-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, February 8, 1945

RE: RELATIONS BETWEEN THE UNITED NATIONS WAR CRIMES COMMISSION AND CANADA

It has been the feeling of Mr. Slaght and the War Crimes Advisory Committee that Canada should be represented on the United Nations War Crimes Commission. The War Committee, at a meeting on March 22, agreed, after discussion, that a representative should be appointed on the United Nations War Crimes Commission and that Canada should contribute appropriately to the expenses of the Commission. No action to date has been taken.

Up to the time of the invasion, a very small number of Canadians suffered from war crimes, but since D-Day Canadian armed troops have become involved (I am referring to the Normandy shootings[184]), and it is inevitable that the Canadian public should want the Government to establish some machinery for the punishment of those responsible.

It would also seem desirable that the War Crimes Advisory Committee should be considered as a National Office, set up to collect information about war crimes committed against Canadian nationals and to submit them to the United Nations War Crimes Commission.

With this in mind, a letter to Mr. Massey has been drafted, informing him of his appointment as Canadian representative to the Commission. A Canadian Press cable from London dated February 1st announced that the newly-appointed Chairman of the War Crimes Commission, Lord Wright, was to discuss Canada's participation in the Commission with Massey during the next

[184]Voir la note 187, document 855.
See footnote 187, Document 855.

few days. It would be desirable that Mr. Massey should receive this letter before he talks to Lord Wright.

852. DEA/4060-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

Ottawa, February 8, 1945

My dear High Commissioner,

I informed you by telegram No. 564 dated March 30, 1944, that the War Committee had agreed that a Canadian representative should be appointed on the United Nations War Crimes Commission. In this connection, I now take pleasure in informing you that you are designated as representative to act on the Commission.

As you are aware, the functions of Mr. Arthur G. Slaght, K.C., and the War Crimes Advisory Committee set up to assist him, are to examine evidence of crimes committed against members of the Canadian Armed Forces or Canadian civilians. Very little evidence has been collected about the latter; this was also the case with regard to the Armed Forces until you transmitted to us the reports of the Courts of Enquiries into the Normandy shootings. The Canadian Government may find it necessary in the future to submit these and other cases to the United Nations War Crimes Commission. It is, therefore, desirable for Canada to have a representative on the War Crimes Commission, in order that this country may be associated with the other United Nations in working out coordinated methods for dealing with the problems of war crimes.

It would be appreciated if you would inform the United Nations War Crimes Commission of Canada's desire to have a representative on the Commission and of your appointment as such.

It is realized that it may not always be possible for you to attend all the meetings of the Commission, in which case, we feel you will be justified in designating a member of the staff of your office to attend the meetings as your representative.

Yours sincerely,

W. L. MACKENZIE KING

853. DEA/4896-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A.357 London, August 24, 1945

SECRET

Sir,

I have the honour to send you a copy of a self-explanatory letter dated the 22nd August, together with copies of the enclosures referred to therein concerning the Agreement signed in London on the 8th August by the United Kingdom, United States, Soviet and French Governments with respect to the trial of the major German war criminals.[185]

2. In this connection I should be grateful to receive your instructions with respect to the matter of adherence of the Canadian Government to the Agreement, together with an indication whether Canada would be disposed to furnish evidence with regard to any particular incident concerning Canadian nationals of the nature indicated in paragraph 5 of the attached copy of note.†

I have etc.

FREDERIC HUDD

[PIÈCE JOINTE/ENCLOSURE]

Le secrétaire aux Dominions au haut commissaire par intérim en Grande-Bretagne

Dominions Secretary to Acting High Commissioner in Great Britain

London, August 22, 1945

Dear Mr. Hudd,

With reference to the agreement signed by the United Kingdom Government, the United States Government, the Soviet Government and the French Government in London on the 8th August regarding the trial of the major German war criminals, I enclose copies of a note† which is being sent to the representatives of the following Governments: Norway, Netherlands, Belgium, Yugoslavia, Czechoslovakia, Greece, Luxembourg, Poland and Denmark.

It will be seen that the European countries which have been victims of German aggression are being invited to submit to the representatives of the four Governments concerned evidence which they would like presented to the court which is to try the major German war criminals. The Governments of the

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[185] Voir États-Unis, *Department of State Bulletin*, volume 13, 12 août 1945, pp. 222-6.
See United States, *Department of State Bulletin*, Volume 13, August 12, 1945, pp. 222-6.

other United Nations are also being informed of the Agreement. It is hoped that the procedure proposed will commend itself to the Canadian Government.

On behalf of the Four Governments between whom the Agreement has been concluded I desire to inform you that the adherence of the Canadian Government to the Agreement would be welcome and that the United Kingdom Government would be glad to receive any evidence which your Government may care to furnish as to any particular incident of the nature indicated in paragraph 5 of the note in which British subjects belonging to Canada were concerned.

Yours sincerely,

ADDISON

854. DEA/4896-40

Mémorandum du conseiller juridique au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Legal Adviser to Under-Secretary of State for External Affairs

Ottawa, August 29, 1945

RE: TRIAL OF MAJOR GERMAN WAR CRIMINALS

1. I am enclosing a copy of a letter from the Acting High Commissioner dated August 24, 1945, enclosing a letter to him from the Dominions Secretary and also a draft note from the Foreign Office to the Governments of Norway, The Netherlands, Belgium, Yugoslavia, Czechoslovakia, Greece, Luxembourg, Poland and Denmark.

2. You will observe that arrangements are settled by the representatives of the four leading European powers for the constitution of a tribunal to try the major war criminals, for the establishment of the procedure for the staffing of the tribunal, and the control of prosecution.

3. The note in question is being sent to the European allies, giving them the opportunity of presenting statements with regard to major war crimes and also inviting accession to the Agreement.

4. In Lord Addison's note, it is suggested that, if we want to submit any evidence with regard to major war crimes, we may do so through the United Kingdom Government. It is also suggested that Canadian adherence to the Agreement would be welcomed.

5. On the question of evidence, we have nothing available for submission concerning the major war criminals so that it is unnecessary to raise the question as to whether it is appropriate for Canada to submit it through the channel which is suggested.

6. The question of adherence is a different matter. It might be considered that the dignified course would be to adhere to this Agreement. Having in mind the appalling mess made by the United Nations Commission, it is impossible seriously to criticize the Big Four for acting as a small group

without consulting anybody. By adherence, we would protect our technical position and, at the same time, accept responsibility for a course of events over which we have no control.

7. On the other hand, it might be considered that we should not adhere to an agreement in the negotiation of which we had no part and in the carrying out of which we were to have no voice. It is quite a different matter from the agreement which is under consideration for the Far East. In that case, we have a voice in the negotiation and an important part in the execution of the agreement.[186]

J. E. R[EAD]

855. DEA/5908-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 1522 Ottawa, September 14, 1945

Sir,

1. I have the honour to refer to your despatch No. A. 251 of June 28, 1945,† and subsequent correspondence concerning the Canadian interest in war crimes.

2. The Governor in Council, by P.C. 5831 of August 30, 1945,† has approved the War Crimes Regulations (Canada),† 25 copies of which are enclosed herewith.

3. The Government of Canada has, with regard to war crimes committed against Canadian nationals or members of the Canadian armed forces in the European theatre, approved the following:

(a) The War Crimes Section at C.M.H.Q., London, will act as a branch of the Canadian National Office in the preparation and submission of cases to the United Nations War Crimes Commission. There will be no reference back to Ottawa prior to listing, but the War Crimes Section will be expected to send reports to Ottawa from time to time;

(b) The Canadian authorities will, for the time being, concern themselves only with war crimes involving death or grievous bodily harm to Canadians;

(c) Once a war criminal has been "listed" with the Commission, it will be the function of the Judge Advocate General, or a representative nominated by him, to certify the case as approved for trial if he considers that it should be proceeded with;

(d) Cases so approved will be prosecuted and tried by Canadian service authorities. It is the Government's desire that the necessary military courts be

[186] Voir les documents 861 et 862.
See Documents 861 and 862.

convened by the general officer commanding Canadian military forces in the Canadian zone of occupation in Germany. It is also expected that Lt. Col. B. J. S. Macdonald, Head of the War Crimes Section at C.M.H.Q., London, will be charged with responsibility for the prosecutions, with the assistance of other experienced service personnel as necessary.

(e) Where a war crime was directed mainly against Canadians, but Allied and Commonwealth nationals were also victimized in the same incident, or series of incidents, the Allied or Commonwealth state should be represented on the military court, as provided for in Regulation 7 of the War Crimes Regulations (Canada).

4. With regard to Brigadefuhrer Kurt Meyer,[187] it is assumed that, on the request of the appropriate military authorities, Meyer will be handed over into the custody of the Canadian general officer commanding Canadian forces in Germany. Meyer has already been "listed" as a war criminal. It is understood that the Judge Advocate General will personally examine the case against Meyer before finally approving it for trial under the proviso to Regulation 3 of the War Crimes Regulations (Canada), although he will nominate a representative in the United Kingdom to approve other cases for trial.

5. It is expected that the contents of this despatch, together with any necessary supporting instructions, will be communicated to the appropriate service headquarters in London direct from Ottawa.

6. Within the limits of the Regulations, and subject to paragraphs 3 to 5 above, it is the intention that the trial of Meyer and other war criminals should proceed in accordance with arrangements to be made by the appropriate Overseas military authorities.

I have etc.

J. E. READ
for the Secretary of State
for External Affairs

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[187] Commandant, le 25e régiment panzer de grenadiers de la Wehrmacht, inculpé pour le meurtre de soldats canadiens pris prisonniers après le débarquement en Normandie. Voir B. J. S. Macdonald, *The Trial of Kurt Meyer*. Toronto, Clarke, Irwin and Co. Ltd., 1954.
Commander, 25th Panzer Grenadier Regiment, Wehrmacht, charged with the murder of Canadian soldiers taken prisoner after the Normandy landings. See B. J. S. Macdonald, *The Trial of Kurt Meyer*. Toronto, Clarke, Irwin and Co. Ltd., 1954.

856. W.L.M.K./Vol. 388

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 3364 London, November 16, 1945

My telegram No. 3213 of November 2nd,† adherence to Four-Power Agreement of August 8th with respect to trial of major war criminals.

2. Chairman made point at last meeting of U.N.W.C.C. that Canada would appear to be the only member of War Crimes Commission which has not now adhered to Agreement. In these circumstances, he expressed strong hope that Canada would soon be able to do so.

3. In this connection, you will also wish to know that Dominions Office independently has again enquired whether Canadian Government proposes to adhere and send observer to Nuremburg. If observer is to be sent, United States authorities here wish to be informed with minimum of delay so that appropriate arrangements may be made for his accommodation and air transport.

857. W.L.M.K./Vol. 375

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

Ottawa, November 17, 1945

ADHERENCE OF CANADA TO THE FOUR-POWER AGREEMENT FOR THE TRIAL OF MAJOR WAR CRIMINALS OF THE EUROPEAN AXIS

1. Canada has on several occasions been requested to indicate its adherence to the Agreement by the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of the United States of America, the Provisional Government of the French Republic and the Government of the Union of Soviet Socialist Republics for the Prosecution and Punishment of the Major War Criminals of the European Axis, signed at London on August 8, 1945.

2. In the Preamble, the Four-Power Agreement is described as having been made "in the interests of all the United Nations." Canada, however, was not invited to participate in the negotiations which gave rise to the Agreement.

3. For the following reasons you might feel that Canada should now express its adherence to the Four-Power Agreement in the manner provided for in Article 5 thereof:

(a) Canada would now appear to be the only Member of the United Nations War Crimes Commission which has not yet adhered to the Agreement.

(b) The Chairman of the United Nations War Crimes Commission and the United Kingdom Government are most anxious that we adhere.

(c) The United States Government is urging the adherence of the Latin American countries.

(d) Only those countries adhering to the Agreement are being invited to send observers to the Nuremburg trials, scheduled to begin in a week's time.

(e) It now appears that Canada will be participating in Far Eastern arrangements for the trial of Japanese war criminals similar to those in effect in Europe under the Four-Power Agreement.[188]

4. It may be felt that if Canada is to adhere at all to the Four-Power Agreement, it should do so without delay. The United States authorities in London would like to be informed as soon as possible as to whether an observer is to be sent to Nuremburg so that appropriate arrangements for accommodation and transportation may be made.

5. I am attaching a copy of the Four-Power Agreement and also a copy of telegram No. 3364 from the Canadian High Commissioner in London dated November 16, 1945, urging Canadian adherence.

N. A. R[OBERTSON]

858. DEA/4896-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 3630 London, December 12, 1945

Adherence of Canada to Four-Power Agreement with respect to trial of major war criminals.

2. Dominions Office have submitted to me official list of countries which have so far adhered to Four-Power Agreement. These include all countries represented on War Crimes Commission and others. Only Commonwealth country besides Canada which has not adhered is South Africa, which as you know has taken no part in U.N.W.C.C.—basis of its position being that it is not a country aggrieved of war crimes and is, therefore, not interested in matter.

3. In an attempt to feel out the ground, I asked Dominions Office very informally for explanation of why list of adhering countries had been sent to me. The answer was that similar communications had been sent to all Commonwealth representatives in London for their information. I was left in

[188]Voir le document 863.
See Document 863.

no doubt, however, that the United Kingdom would warmly welcome adherence of Canada.

4. In view of foregoing it would be helpful to have telegraphed indication of Canadian position.

859. DEA/4896-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 2953 Ottawa, December 14, 1945

Your 3630 of December 12, adherence of Canada to Four-Power Agreement in respect to trial of major war criminals. The attitude of the Government is that little useful purpose would be served by Canada adhering to this agreement and it is therefore very unlikely that adherence will come forward. You may wish to informally advise the United Kingdom authorities to this effect.

860. DEA/5908-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 3687 London, December 18, 1945

Murchie has shown me text of message which he is sending to D.N.D. today recommending disbandment of War Crimes Investigation Unit, C.M.H.Q., as of May 1st, 1946. You will agree, I feel, that by this date all necessary investigations of war crimes in north west Europe in which Canada has an interest should have been completed,[189] and that salutary result would be achieved by setting up of specific deadline. Purpose of this message, therefore, is simply to advise you that I fully concur in Murchie recommendation.

2. You will share my view that it would not be possible for my office to carry on with any investigations which might be incomplete at May 1st. Such can only be properly handled through military channels, and I take it as a matter of course that once activities of War Crimes Investigation Unit in this theatre are wound up, no further Canadian investigations will be made.

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[189] La note marginale suivante était écrite sur cette copie du télégramme:
The following marginal note was written on this copy of the telegram:
This seems reasonable. E. R[EAD]

SECTION B

ASIE

ASIA

861. DEA/4060-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2326 London, August 14, 1945

IMMEDIATE. SECRET. In view of swift developments in Far East, special ad hoc Committee has been set up by United Nations War Crimes Commission to consider punishment of Japanese war criminals.

2. Proposals now being considered contemplate action, especially on the Japanese home islands, parallel to that now being followed with respect to German war criminals. It is hoped, however, that on basis of past experience arrangements will be more efficient and expeditious with the counterpart of CROWCASS[190] and the Central Library at Wiesbaden placed under single authority. Similarly, it is suggested that one military authority be responsible for apprehension, detention and investigation and that the International Military Tribunal should be appointed by the Supreme Commander or other authority in Japan from nominees of the nations concerned.

3. Tentative plan suggests Committee of Chief Prosecutors to which the Governments of Australia, Canada, China, France, The Netherlands, New Zealand, the U.S.S.R., United Kingdom and United States should each be entitled to appoint a Chief Prosecutor.

4. The foregoing is to be further discussed at meeting on Thursday. Thus, would be grateful for your views with respect to war criminals in Far East, as well as indications of any observations you would wish your representative to make at this meeting.

5. Once recommendations formulated they will, of course, be passed on to Governments now represented on Commission.

[190]Central Registry of War Criminals and Security Suspects.

862. DEA/4060-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 1893 Ottawa, August 18, 1945

IMPORTANT. SECRET. Your telegrams No. 2326 of August 14 and No. 2338 of August 17,[†] punishment of Japanese war criminals.

2. The plan as set forth in your telegram No. 2326 is approved by the Canadian Government, and you would be justified in supporting arrangements along the lines as set forth. In that event, arrangement will be made for:

(a) Nomination of Canadian member of tribunal;

(b) Appointment of Canadian Chief Prosecutor.

3. It is assumed that the Committee of Chief Prosecutors will take over the management of the prosecutions and, in that case, Canadian authorities will give all possible cooperation.

863. DEA/4060-C-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5383 Washington, October 18, 1945

My WA-5373, October 17th—Japanese war criminals.[†]

We have now received note from State Department referred to in WA-5373, text of which follows:

"The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of Canada and encloses a memorandum concerning the policy of the United States in regard to the apprehension and punishment of war criminals in the Far East.[191]

The Supreme Commander for the Allied Powers who has received a directive in accordance with this statement of policy, has requested the designation by the interested Allied nations of suitable individuals for appointment to the international courts to be established for the trials of Far Eastern war criminals.

Accordingly, the Government of the United States is requesting the Governments of China, the United Kingdom and the Soviet Union each to

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[191] Voir États-Unis, *Foreign Relations of the United States*. 1945, volume 6, Washington, U.S. Government Printing Office, 1969, pp. 930-4.
See United States, *Foreign Relations of the United States*. 1945, Volume 6, Washington, U.S. Government Printing Office, 1969, pp. 930-4.

designate five, and the Governments of Australia, Canada, France, The Netherlands and New Zealand to designate three, military officers or civilians qualified for membership on the international military courts described in the first four sentences of paragraph 5 of the enclosure, in order to permit the Supreme Commander for the Allied Powers to appoint suitable members. It is considered desirable that there should be civilian representatives on these courts and it is accordingly suggested that the selection of suitable civilians as well as military members be considered. The designation of individuals who speak English would make for substantial administrative and other practical advantages.

Although it is expected that the apprehension and trial of Far Eastern war criminals will be a subject for discussion in the Far Eastern Advisory Commission, it is hoped that the Canadian Government may see fit promptly to designate personnel for appointment to the international military courts in order that there may be as little delay as possible in this matter."

Copy of the note together with its enclosure follows by bag. Ends.

864. DEA/4060-C-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3240 London, November 5, 1945

Trial of Japanese war criminals.

2. At the recent meeting convened by War Office, Chairman made the point that Canada and Australia had similar powers to convene military courts. There would, however, be no Canadian Commander in the Far East. In his view, therefore, Japanese accused of war crimes against Canadians would either have to be brought back to a place where Canadian court could be legally constituted, or be dealt with by Commander-in-Chief, ALFSEA,[192] under his Royal Warrant. Canadian representative at meeting was asked to advise War Office what Canadian proposals were. He replied that a satisfactory answer to this question could not be given without consulting Canadian Government.

3. Would be grateful to know what answer should be given with respect to the foregoing.

[192] Allied Land Forces South-East Asia.

865. DEA/4060-C-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2614 Ottawa, November 6, 1945

Your telegram No. 3240. Trial of Japanese war criminals.

Canadian Government understands that United States proposals, paralleling War Crimes Commission's proposals, would empower Supreme Commander in Tokyo to convene military courts from an inter-Allied panel to try Far Eastern war criminals of all grades, major, intermediate and minor, and also to set up an inter-Allied investigating and prosecuting agency.

There being no Canadian Commander in Far East, Canadian Government would prefer to associate in joint plan such as that embodied in United States proposals.

866. DEA/4060-C-40

L'ambassadeur aux État-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6435 Washington, December 28, 1945

IMMEDIATE. FOR IMMEDIATE ACTION. Reference my WA-6260 of December 14th (paragraph 1).

We have now received from State Department a memorandum requesting urgently that the Canadian Government nominate a judge and an associate prosecutor by January 5th, 1946. Text of memorandum follows:

"The Acting Secretary of State refers to the Department's note of October 18th, 1945 regarding the trial and punishment of Japanese war criminals.

Inasmuch as this Government considers the constitution of an International Military Tribunal for the trial of individuals charged with crime against peace a matter of immediate importance, the Department urgently requested the Supreme Commander's views on the subject and now sets forth the following clarification of certain points raised by several of the interested Governments.

It is proposed that the International Military Tribunal to be appointed by the Supreme Commander for the trial of major war criminals will consist of not more than nine or less than three judges. The Supreme Commander will designate not more than one judge of any one country from among the nominees of the signatories of the Surrender Instrument. The Supreme Commander has urged that there shall be no alternates in view of the problems of accommodation, transportation and the difficulties of local arrangements.

The President of the Court will be designated by the Supreme Commander. It is suggested that the rank of the nominees approximate that of a Major General in the United States army or higher.

The jurisdiction of the Court will be the trial of individuals charged with 'planning, preparation, initiation or waging of a war of aggression or a war in violation of International Treaties, Agreements or assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing'. Those individuals so indicated who are not now under the control of the Supreme Commander will be requested from the Allied Commander concerned. It is proposed that the Court and its Rules of Procedure will be established by the Supreme Commander. The rules including those relating to the admissibility of evidence will follow the Nuremburg pattern so far as it is appropriate in the Far Eastern Theatre.

It is suggested that the prosecution staff will consist of Mr. Joseph B. Keenan, who has already been designated Chief of an International Prosecution Section at the Supreme Commander's Headquarters, and his present staff, with the addition of associate prosecutors and assistants to be designated by the Supreme Commander from nominations submitted by the participating Powers, the Philippines and India.

The Supreme Commander has indicated that the earliest date for the return of the indictment has now been estimated for February 1st, 1946. Accordingly, the Government of the United States urgently requests the Canadian Government to nominate a judge and an associate prosecutor by January 5th, 1946 because of the urgent necessity of proceeding with the trials at the earliest possible moment."

867. DEA/4060-C-40

Mémorandum de la direction juridique au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Legal Division to Under-Secretary of State for External Affairs

SECRET Ottawa, December 31, 1945

FAR EASTERN WAR CRIMES

1. Attached for your signature are letters to the Deputy Minister of National Defence (Army) and the Deputy Minister of Justice,[†] enclosing a draft Memorandum to the Cabinet concerning the Canadian interest in Far Eastern war crimes.

2. The United States Government is primarily interested at this stage in the early prosecution of the major criminals, whereas the Canadian interest is primarily in particular accused charged with atrocities against Canadians. The attached Memorandum covers both phases.

3. The United States would like the necessary Canadian nominations (of a military judge and associate prosecutor for the International Military Tribunal of the trial of the major criminals) to made by *January 5, 1946*.

4. From a Canadian point of view, it would seem even more desirable that the particular arrangements referred to in the second Recommendation (for the trial of the lesser criminals accused of atrocities against Canadians) be negotiated as soon as possible. I take it to be apparent that these arrangements could be negotiated more readily if the United States plan, as a whole, is approved in principle. However, the Recommendation is so framed as to provide for these negotiations whether or not the United States plan is so approved.

5. The whole matter was discussed with Mr. Read before he left, and the Memorandum has the concurrence of the War Crimes Advisory Committee.

E. R. HOPKINS

[PIÈCE JOINTE/ENCLOSURE]

Projet de mémorandum de ministère des Affaires extérieures au Cabinet

Draft Memorandum from Department of External Affairs to Cabinet

SECRET Ottawa, December 27, 1945

FAR EASTERN WAR CRIMINALS

1. The United States Government has transmitted to the Canadian Government, and to other Governments concerned, the text of a comprehensive plan (herein-after referred to as "the United States Plan") for dealing with Far Eastern war criminals. Canada has been invited to indicate its approval of the plan and to cooperate in its execution.

2. A copy of the text of the United States Plan† is annexed hereto. Its central features may be summarized as follows:

(a) "war crimes" will include the planning and waging of aggressive war, violations of the laws and usages of war, and "inhumane acts";

(b) the offences contemplated are any which have occurred since September 1931 (the Mukden incident);

(c) the Supreme Commander in Tokyo will have power to:

(i) appoint special International Military Courts for the trial of Far Eastern war criminals;

(ii) prescribe or approve rules of procedure for such courts (such rules to be similar to those followed by the European International Military Court, except where changes are necessitated by different conditions in the Far East);

(iii) carry out the sentences of any international courts appointed by him;

(iv) approve, reduce or alter any sentences imposed by such courts;

(d) the Supreme Commander is authorized to establish an investigating and prosecuting agency for the following purposes:

(i) the collection and analysis of evidence;

(ii) the apprehension and trial of suspects;

(iii) the preparation and conduct of prosecutions;

(iv) recommending to the Supreme Commander which individuals and organizations should be prosecuted, before what courts they should be tried, and what persons should be secured as witnesses;

(v) maintaining a central clearing house for information concerning Far Eastern war crimes;

(e) if authorized by the Supreme Commander, the military command of any nation "participating in the occupation of areas previously dominated by Japan" may try Japanese war criminals by their own national military courts.

3. The United Kingdom Government has already indicated to the United States Government that the United States Plan is acceptable, subject to certain reservations, the chief of which are as follows:

(a) the United Kingdom authorities are to be left free to make their own arrangements in the Far Eastern areas under British command;

(b) the main principles of the procedure to be followed by the proposed international military courts are to be discussed by the Far Eastern Advisory Commission with a view to reaching governmental agreement thereon prior to trial.

The procedure to be followed by the international military tribunals is now being deliberated by the Far Eastern Advisory Commission.

4. It is now advised by the United States authorities that the International Military Tribunals referred to in paragraph 2(c) above are intended exclusively for the trial of the major Far Eastern war criminals who will be charged with "planning, preparation, initiation, or waging of a war of aggression in violation of International Treaties, Agreements or assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing."

The members of the Tribunal will be appointed by the Supreme Commander in Tokyo and will consist of not more than nine or less than three judges. The Supreme Commander will designate not more than one judge from among the nominees of the signatories of the Japanese Surrender Instrument. The original United States Plan has been modified to the extent that Canada is now enacted to name *one* judge for the tribunal and *one* associate prosecutor, and it has been suggested that each should be at least of the rank of major-general, or equivalent rank. Each of these nominees would be eligible for appointment by the Supreme Commander.

5. The trials of the major Far Eastern War criminals are expected to follow the general pattern of the Nuremburg trials now being held pursuant to the Four Power Agreement for the trial of the major criminals of the European

axis.[19] Canada was not invited to participate in the negotiations which resulted in the Four Power Agreement and has not adhered thereto. Canada is, however, invited to participate in negotiations with respect to the Far Eastern war criminals and it would seem desirable for the Government to express its views at this time.

6. So far as the lesser war criminals are concerned, the United States Plan makes provision for the trial of particular accused by the national military courts of states "in occupation of areas formerly dominated by Japan."

Since there is no Canadian occupation force in the Far East, it would not be possible, under the United States Plan or under the War Crimes Regulations (Canada), for particular accused to be tried in that area by Canadian military courts convened under the Canadian regulations. Again, it would appear to be impracticable to move Far Eastern war criminals to Canada (or to other areas in which Canadian military forces are functioning) for purposes of trial. Military courts for the trial of particular persons accused of atrocities against Canadians would, therefore, have to be convened either by the United States military authorities or by the United Kingdom in their respective areas of occupation in the Far East.

7. Evidence of Far Eastern war crimes against Canadian nationals and members of the Canadian armed forces is being collected and collated by a War Crimes Unit functioning at National Defence Headquarters, Ottawa. The Unit reports that there is an accumulation of evidence of atrocities committed against Canadians, both in the areas occupied by United Kingdom forces (e.g. Hong Kong) and in areas now occupied by United States forces (e.g. prison camps in Japan proper). In a number of these cases, the accused has been or can be identified. If the Canadian interest is to be protected, arrangements will have to be made for their trial and punishment.

RECOMMENDATIONS:

1. THAT the Canadian Government approve the United States Plan in principle, and that authority be granted to advise the United States Government that the Canadian Government so approves and is prepared to cooperate in its execution.

2. THAT the Minister of National Defence be authorized to nominate one military judge and one associate prosecutor, as requested by the United States Government, to be eligible for appointment to the International Military Tribunal as outlined in paragraph 4 above, each to be of the rank of brigadier (or its equivalent) or higher, and if possible of the rank of major-general (or its equivalent) or higher.

3. THAT, whether or not the United States Plan be approved in principle pursuant to the recommendations immediately preceding, approval be given to negotiating with the Governments of the United States and the United Kingdom arrangements whereby:

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[19] Voir États-Unis, *Department of State Bulletin*, volume 13, 12 août 1945, pp. 222-6.
See United States, *Department of State Bulletin*, Volume 13, August 12, 1945, pp. 222-6.

(a) provision will be made for the trial of persons accused of serious war crimes against Canadian nationals or members of the Canadian armed forces by military courts convened by the United States military authorities where the accused is within the jurisdiction of the United States occupation forces in the Far East, and by the United Kingdom military authorities where the accused is within the jurisdiction of the United Kingdom occupation force in the Far East;

(b) military representatives, of a rank not less than that of Lieutenant Colonel, from National Defence Headquarters, will be sent to Tokyo and Hong Kong to act in liaison with the United States and United Kingdom war crimes offices, respectively; such representatives to be vested with and to exercise the following powers and duties:

(i) to assist in the collection of further evidence of atrocities against Canadians;

(ii) to assist in providing the United States or United Kingdom authorities with such available evidence from Canadian sources as may be considered of value to them;

(iii) to request the United States or United Kingdom military authorities to convene military courts under their respective regulations, for the trial of particular persons within their jurisdiction against whom, in the opinion of the appropriate Canadian military representative, a *prima facie* case of a war crime (within the limits of paragraph 4 hereunder) against a Canadian has been established;

(iv) to assist in the prosecution of Canadian cases if so authorized by the appropriate United States or United Kingdom authorities;

(v) to act in general liaison with United States and United Kingdom war crimes offices in the Far East.

4. THAT the Canadian military representatives referred to immediately above be empowered to request from the United States or United Kingdom authorities trial of the following persons only:

(a) persons charged with or suspected of having committed a violation of the laws and usages of war; and

(b) whose alleged criminality has resulted in the death or permanent disability of a Canadian national or a member of the Canadian armed forces or whose offence is in other respects considered to be of a most serious nature.

PARTIE 7/PART 7
RÉPARATIONS
REPARATIONS

868. DEA/7-Ds-1

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D.1050 London, June 13, 1945

IMMEDIATE. TOP SECRET. My telegram Circular D. 364,† reparations.

Following on the defeat of Germany, the need for an agreed policy on reparations has become urgent and we have been under increasing pressure from the Soviet Government to appoint representatives to the Allied Reparation Commission, which was decided at Yalta should be set up in Moscow. We have telegraphed separately about the difficulties which have been encountered in reaching agreement on the composition of Moscow Commission and, though we had hoped to secure French participation from the outset, we feel, as explained in my telegram Circular D. 1039, that we now have no option but to agree to the starting of discussions on a tripartite basis.

2. Meanwhile, we have been giving much thought to the problems involved in the question of reparation, and my two immediately following telegrams† set out in broad outline our views on the principles and on machinery, respectively, which we propose to instruct our delegation to put forward. At the same time, it is not to be expected that final agreement can be reached during the course of the Moscow Conference, and in our view the main object of the Conference will be to explore the complex technical aspects of the reparations problem. We are so informing our delegation and asking them to treat their present instructions as provisional.

3. The position, as we see it, is complicated by a number of factors, including the enormous damage to German towns, the fact that Germany will need to import goods on a considerable scale in order to maintain a subsistence standard of living, the need for removal of Germany's war potential and the question of territorial adjustments. In our view it is all important to avoid a repetition of the situation after the last war in which Germany received (and subsequently defaulted on) loans from the Allied and Associated Nations greater than the reparations paid. We are also deeply conscious of the possibility of a clash between the desire to secure a continued flow of reparations from Germany on the one hand and the need to remove Germany's war potential on the other. It is clear to us that destruction of Germany's war potential must take priority, though this inevitably entails reducing the volume of reparation receipts from Germany's current production.

4. We, therefore, regard it as essential to establish at the outset that:

(a) No assistance should be given to Germany to build up other [*sic*] industries;

(b) Payments for essential supplies needed by Germany for subsistence standard of living should be a first charge on German resources, even though this will tend to restrict very substantially extent to which we can look for reparations.

5. It is on this basis that we have worked out proposals in my two immediately following telegrams. We should appreciate any comments which Dominion Governments may wish to make on these proposals, and in particular it would be of great assistance to us to know urgently:

(a) Whether Dominion Governments holding German prisoners of war intend to use prisoners as reparation labour and, if so, to what extent;

(b) Whether Dominion Governments have it in mind to make claims to reparation in kind and, if so, whether they would wish our delegation to be briefed with a view to securing provisional allocations for them.

6. According to the Agreement reached at Yalta, reparations are to be received in first instance by those countries which have borne the main burden of the war, have suffered the heaviest losses, and have organized victory over the enemy. On this basis Dominion Governments would, of course, be eligible to share in such reparation as may be recoverable, but no doubt there will be strong pressure (all the more so on account of Germany's limited reparation capacity) for reparation goods to go primarily to countries which have suffered most physical war damage and question arises whether, if reparation deliveries are restricted to the narrow limits which we suggest, Dominion Governments would wish to participate.

7. Position of United States is, we understand in confidence, that they probably will not in fact look for any substantial reparation for themselves (other than the proceeds of German assets in the United States) but that they propose to maintain their claim until they are satisfied that a fair distribution to countries whose reconstruction needs are greatest can be agreed at Moscow or subsequently for recommendation to Governments concerned.

8. We should be glad to know whether Dominion Governments would wish for their part to take up a similar attitude to the United States in this matter, i.e., to maintain in principle their claim to reparation and thus secure allocations which might at a later stage be waived, at any rate in part. By so doing, Dominion Governments would preserve their rights to:

(a) The proceeds of German assets in their countries;

(b) Their share of reparation ships (see paragraph 14 of my immediately following telegram), and

(c) Some reparation labour if desired.

9. We should be very grateful for earliest possible comments in view of prospect that discussions at Moscow will open in the course of next week. In the meantime, we are asking leader of our delegation (Sir Walter Monckton, Solicitor General) to keep in touch in Moscow with Dominion Ministers there and to give them copies of this and my two immediately following telegrams.

869. DEA/7-Ds-1

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 149 Ottawa, June 16, 1945

IMMEDIATE. TOP SECRET. Your circular telegrams D. 1050, 1051,† and 1052† of June 13th. Reparations.

1. We appreciate receiving the statement of your views and the opportunity which you have given us of commenting on them. In the time available we have been able to give only preliminary consideration to the numerous and important questions raised in these telegrams. For the time being, therefore, we are confining our reply to answering the specific questions put to us in your D. 1050. Our answers are as follows:

2.(a) We do not intend to use prisoners as reparation labour.

(b) It is our intention to make a claim at the appropriate time for reparations in the same way as other countries entitled to reparations. We shall wish to reserve the right to deal with German assets in Canada. We are not in a position at the present time to say whether we shall ask for reparations in kind either for immediate delivery or as part of the recurrent deliveries over a period of years. We presume that an opportunity for advancing any such claims will arise later and that if the Semi-Permanent Reparations Commission is set up as proposed in paragraph 2 of Circular D. 1052, we presume that it will be the natural body to consider such claims and make appropriate allocations. We should not, therefore, think it desirable for your delegation to seek provisional specific allocations for Canada of reparations in kind unless the situation arises in which tentative allocations of this character are being made for all countries claiming reparations. If such a situation should arise, we should be glad if Sir Walter Monckton would communicate with the Canadian Chargé d'Affaires at Moscow.

3. As regards paragraph 8 of your telegram D. 1050, we are in general sympathy with the position which you understand will be taken by the United States, namely, to maintain in principle their claim to reparation and to secure allocations without committing themselves as to whether or not these allocations will be pressed in full. In taking this position we understand that we are reserving our rights to a share of deliveries from current production as well as to the items mentioned in paragraph 8 of your telegram.

4. We are reserving for a later date any comments which we might wish to make on the principles which the United Kingdom delegation proposes to put forward at the Allied Reparations Commission in Moscow. There is, however, one point on which our position has already been made clear in the course of the discussions which have taken place in Washington concerning the provision of relief supplies in western Germany.[194]

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[194]Voir la pièce jointe, document 1122.
See enclosure, Document 1122.

5. We are in full agreement that payment for essential imports from German sources should be adequately assured in priority to reparations claims. In our view the essential imports will not diminish but will tend to increase the quantity of reparations obtainable from current production over a period of years. We are not in a position to judge whether all the measures proposed in your telegrams are necessary in order to achieve this result, but it may be helpful in your discussions for you to bear in mind that the Canadian Government cannot undertake to make foodstuffs or other essential supplies available for importation into Germany without an adequate assurance that payment will be received for these supplies.

6. We favour the proposal in Paragraph 2 of D. 1052 for the establishment of a Semi-Permanent Inter-Allied Reparations Commission on which all countries entitled to receive reparations would be represented. We note that it is possible that the United Kingdom, the United States and the U.S.S.R. may ask representatives of other United Nations not represented on the Commission to participate in its work. In the event of Canada being so invited we shall be prepared to make arrangements for our representation.

W. L. MACKENZIE KING

870. DEA/7-Ds-1

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1131 London, June 29, 1945

SECRET. Reparations.

We have now received from all Dominion Governments preliminary comments upon my telegrams Circular D. 1050, Circular D. 1051† and Circular D. 1052† and are most grateful for their prompt replies. We are glad to note that so far as previous studies have been carried there is general agreement with broad lines of our approach to this difficult problem. We note also that all Dominion Governments wish for the present, like the United States, to maintain in principle their claim to reparation and thus to secure provisional allocations in common with other potential recipients but that none of them wish to use German prisoners of war as reparations labour.

2. Owing to interruptions due to victory celebrations in Moscow, work of Moscow Commission has only just been begun. Meanwhile, leader of United Kingdom delegation has explained to Dominion Ministers in Moscow general sense of his instructions and has arranged to keep in touch with them as the discussions proceed.

3. We do not yet know at what stage of agenda Moscow Commission are likely to consider in detail question of allocation of reparation between countries concerned but it is clear to us that when they come to do so it will be very difficult for them to arrive at provisional percentage allocations for Russia, the United States and the United Kingdom without having fairly close idea of size and extent of claims which could justifiably be put forward by

other countries in accordance with the Yalta formula.[195] Otherwise provisional percentages allotted to the three Powers might be quite unrealistic. We should expect, therefore, that it would be necessary for the Commission at that stage of their proceedings to endeavour to formulate some tentative and provisional plan of allocation for subsequent agreement with Governments covering not merely possible shares of three Powers but those of all countries eligible to receive reparations under the Yalta formula. In preparation for such a possibility we feel that our delegation should be placed in the best possible position to protect interests of Dominion Governments in relation to those of other claimant countries and for this purpose it would be very helpful if we could be supplied as early as possible with statistical data in support of Dominion claims.

4. Difficulty about preparing statistics for this purpose is that apart from Yalta formula in paragraph 1 of my telegram Circular D. 364† no basis has yet been agreed as to factors to be taken into account or as to weighting to be given to different factors. So far as we are concerned we have, therefore, supplied our delegation with fullest statistical information we can bearing on the war effort and losses of the United Kingdom in war against Germany. In particular we have made calculations in respect of United Kingdom in form designed so far as possible to be comparable with statistics which may be prepared by other claimants under following heads which we believe will provide essential information for determining provisional allocations under any formula likely to be adopted:

(a) War effort against Germany including (I) Budgetary cost of the war (II) number of man years served in the forces and in manufacture of munitions respectively (III) fatal military casualties;

(b) Losses of property in the war against Germany including (I) value of physical war damage on land (II) value at pre-war prices of shipping lost (III) value of overseas disinvestment, i.e., net reduction in overseas investment and gold holdings plus net overseas borrowing.

5. We would accordingly suggest as most convenient course that corresponding figures might be prepared by Dominion Governments under above 6 heads and results telegraphed to us as soon as possible, together with any supporting comments for communication to our delegation. It is, of course, important that figures should be confined to those arising from war with Germany. This may give rise to some difficulty of assessment in some cases but rather than figures should be delayed on this account arbitrary apportionment would no doubt suffice for present purposes since at this initial stage time factor is more important than close accuracy.

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[195] Voir États-Unis, *Foreign Relations of the United States. The Conference at Malta and Yalta, 1945.* Washington, U.S. Government Printing Office, 1955, pp. 982-3.
See United States, *Foreign Relations of the United States. The Conference at Malta and Yalta, 1945.* Washington, U.S. Government Printing Office, 1955, pp. 982-3.

871. DF/Vol. 545

Mémorandum du ministère des Finances à l'adjoint spécial du sous-ministre des Finances

Memorandum from Department of Finance to Special Assistant to Deputy Minister of Finance

Ottawa, July 16, 1945

RE: REPARATIONS

The more I see of these papers on reparations, the more inclined I am to think that the Canadian Government might be wise to waive its claim to reparations from the outset, on condition that Germany's current import requirements are regarded as a first charge against its current exports.

This general subject happened to come up in the discussion which I and others had with the Minister about the C.P.R.B. Report, and I think he was inclined to feel that we might be better off if we do not attempt to establish even tentatively a claim to reparations, which may involve a good deal of acrimonious bargaining and estimating of contributions to the war effort. Ilsley seemed to think this matter should go to Council at a fairly early date. I had been inclined to hold off any comment or suggestion until we saw how the figures appeared, but it may be worth while your thinking about this and perhaps mentioning it to Hume Wrong if you get a chance. I think myself that our moral claim to reparations is perhaps pretty small, even though under the Yalta formula we ought to be able to make a claim.

R. B. BRYCE

872. DEA/7-Ds-11

Mémorandum de la première direction politique

Memorandum by First Political Division

TOP SECRET Ottawa, July 20, 1945

MEMORANDUM ON THE REPARATIONS PROBLEM

A meeting was held on 20th July to discuss the question of German reparations. Mr. Robertson was present. It was decided to postpone for the time being any decision as to whether Canada should make claim for reparations from Germany either in the form of capital equipment or annual deliveries of goods. It was clearly the sense of the meeting that Canada would have difficulty in absorbing reparations in kind from Germany, but it was recognized that to put in no claim at all might be difficult to explain to Parliament. On the other hand, it was also argued that it might be even more difficult to put in a tentative claim as suggested by the Dominions Office and subsequently to drop that claim. A decision in the matter has been left over pending (a) further information as to the policy which the United States Government may be expected to pursue, which would have a considerable influence on our decision, and (b), information which the Custodian of Enemy

Property is supposed to be collecting as to the total of German assets in this country and the total of claims by Canadians against those assets. Clearly if the claims are greater than the assets, this would be an argument in favour of our attempting to get something out of Germany, whereas if the assets are greater than the claims, this point would not arise.

Meanwhile, however, the various Government Departments have been asked to prepare claims against Germany on the basis suggested in Dominions Office telegram 1131 of 29th June. These claims will be checked and collated by the Bureau of Statistics. The information will therefore be available whether or not it is decided to make the claims.

C. S. A. R[ITCHIE]

873. DF/Vol. 545

Mémorandum du ministère des Finances à l'adjoint spécial du sous-ministre des Finances

Memorandum from Department of Finance to Special Assistant to Deputy Minister of Finance

Ottawa, July 23, 1945

RE: REPARATIONS POLICY

I attended the meeting yesterday[196] held by Robertson in Room 123 on this question which you were unable to attend. I put forward the views which we had discussed briefly and more or less agreed upon, viz: that we should confine our claims for reparations to a few simple points and should not endeavour to establish a share in the total reparations programme. The items I mentioned in which we were interested were: (1) that imports to Germany should have priority of claim on the proceeds of German exports; (2) that Canada should have free access to all patents, technical and scientific information; (3) that Canada should be able to use German assets located in Canada to meet private Canadian claims against Germany. To these I added a fourth which occurred to me after seeing you and after noting the letter from Naval Services.† This was that Canada should be free to obtain limited numbers of German items of equipment for information and research purposes as well as for current use in the war against Japan. I mentioned as well that John Baldwin[197] had stated that their people had been doing some work on this reparations question and they might like to get a few major items of equipment such as a wind tunnel. I said I thought all these individual items could be obtained without our having to obtain a formal share of the reparations.

There was some discussion of this view. Norman himself was inclined to feel that our line was the desirable one but others wondered whether we could

[196] En réalité, la réunion du 20 mars mentionnée dans le document précédent.
In fact, the meeting of March 20 mentioned in the preceding document.

[197] Secrétaire, le Comité interministériel sur la politique du transport aérien.
Secretary, Interdepartmental Committee on Air Transport Policy.

justify in Parliament our waiving of possible claim on Germany under the Yalta formula. Norman felt that it would depend to a considerable degree on the attitude which the U.S. would take.

It was agreed that we should proceed to establish estimates of German assets in Canada subject to Canadian control and Canadian commercial and other private claims on Germany. External Affairs would arrange with the Custodian for this to be done. In the meantime we would also prepare the statistics necessary for establishing a claim along the lines suggested by the U.K. but we would not transmit any such figures until after further consideration of the matter. It was suggested that some competent statistician should be asked to take charge of the assembly of this material. I suggested Isbister[198] and External Affairs were going to approach him, possibly through Max McKenzie.[199]

R. B. B.[RYCE]

874. DEA/9442-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A. 356 London, August 24, 1945

SECRET

Sir,

I have the honour to report that Mr. Angus[200] and Mr. Le Pan had a discussion on the 21st August with Sir David Waley of the United Kingdom Treasury and Mr. P. A. Clutterbuck of the Dominions Office about the form which Canada's claim for reparations should take. Sir David is the chief official in the United Kingdom Delegation to the Reparations Commission, and has recently returned from Moscow. He also attended the Potsdam Conference.

2. Sir David said that, in his view, it would not be worth-while for the Canadian Government to compile any very elaborate statistics in support of its reparations claim, since, in any case, the sum total of materials which could be used either for once-for-all or current deliveries on the reparations account from Germany would not be large, and the percentage of this small total which Canada could hope to claim would also be small. According to rough calculations made by the United Kingdom, the total percentage of reparations

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[198]Économiste en chef, le Bureau fédéral de la Statistique.
Senior Economist, Dominion Bureau of Statistics.

[199]Sous-ministre du Commerce.
Deputy Minister of Trade and Commerce.

[200]H. F. Angus était alors à Londres pour participer à la troisième session du Conseil d'UNRRA.
H. F. Angus was then in London to attend the Third Session of the Council of UNRRA.

which might ultimately be assigned to all the nations in the Commonwealth combined would probably not be more than 5%.[201] Canada's share would probably be something over 2%. Under these circumstances, it would hardly seem justifiable to go to much trouble to establish that Canada's share should properly be, say, 2½% instead of 2¼%, especially if Canada expected at some later stage to abandon its claim altogether.

3. Mr. Angus drew attention to the fact that if the categories suggested in Dominions Office telegram No.1131 of the 29th June were adopted, it would appear that a country would be able to claim twice for the same segment of its war effort. The budgetary costs of the war included payment for man-years served in the manufacture of munitions. They would also cover man-years served in the production of foodstuffs for export, a category which Canada might like to include in justification of its claim. Sir David explained that it was not intended to attempt to use the suggested categories in order to form any kind of statistical total. Some effort had been made by the United Kingdom to produce a weighted total expressed in terms of a percentage; but this effort had not been very satisfactory and had broken down entirely in discussions with the American Delegation. The category of man-years spent either in the Forces or in the manufacture of munitions had been included by the United Kingdom primarily as a check against the first item, the budgetary costs of the war, which alone might give an unduly favourable picture of the part played by the United States in the victory over Germany, since costs generally were much higher in the United States than in the United Kingdom. In the initial discussions, the United Kingdom delegates had been disposed to emphasize the length of time this country had been engaged in the war, while the United States delegates had come back repeatedly to the vast wartime expenditure made by the United States. The discussion had shown signs of degenerating into a graceless debate about which country had worked and suffered more. It gradually became apparent that, as in so many other related subjects, the question was essentially not financial but political and the only way to cut the knot was by a political solution. Accordingly, the United Kingdom and the United States had agreed that their shares should be equal.

4. In answer to a question from Sir David Waley, Mr. Angus said that the amount of material which Canada would actually like to obtain from Germany would probably turn out to be very small. It would be limited almost entirely to material wanted for scientific investigation and research. Some of this material, however, might be bulky and might not be considered war material under any strict definition of the term. He had in mind, particularly, a claim which he believed would be presented for a supersonic wind tunnel to be used for aeronautical research. Sir David said that there should be no difficulty about obtaining such material. In fact, he had been given to believe that all of it which was available had already been seized by the United Kingdom and the United States military authorities in Germany without asking anyone's leave.

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[201]Note marginale:
Marginal note:
Excluding U.K. share.

No doubt, Canada could obtain an appropriate share by applying through military channels.

5. Mr. Le Pan reported that a Canadian committee sitting in London, the Canadian Advisory Targets Committee, on which the Services and the civilian departments concerned were represented, was in the process of consolidating a list of all the material of this kind which Canada would like to obtain. Some of it had already been picked up by Canadian service investigators in Germany, while other items had been obtained by negotiating through the Ministry of Supply and the Ministry of Aircraft Production. It appeared, however, that there might be a considerable residue which could not be obtained in this informal way and about which it would probably be necessary to make representations to the Dominions Office.

6. As a sidelight on what has been happening in Germany, Sir David related that at Potsdam Marshal Zhukov[202] presented a long list of plant and equipment which it was claimed had been taken by the Anglo-American forces from those parts of Germany which were first occupied by troops under S.H.A.E.F. and were later transferred to the jurisdiction of the Red Army. The British Delegation were somewhat perturbed and apprehensive that the Russians were going to ask for the return of all this material. They were preparing to deliver a learned disquisition on the definition of booty, how it had been formulated in the days of Charles II and so on, when Stalin chuckled, remarked that he had no intention of asking for restitution, and said: "I only wanted you to know that you have been doing a little thieving on your own account, too."

7. Mr. Le Pan enquired if the decisions taken at the Potsdam Conference had enabled any progress to be made in reaching a definition of war booty. Sir David replied that this task had yet to be tackled. He could say confidently, however, that booty would receive a very strict interpretation, and would be closely related to articles actually used by the German Forces. An exception, however, perhaps would be made for scientific equipment. Here the definition would not be drawn so narrowly.

8. Explaining that Canada's course would be influenced almost inevitably by what the United States did in this matter, Mr. Angus enquired whether Sir David could give any information as to how long the United States intended to maintain their claim. Sir David said that he was not sure. He himself was rather worried by the possibility that once a claim had been prepared and made public by the United States Government they might be forced by American public opinion to insist on delivery of the materials they had put in a claim for. The United States delegates on the Reparations Commission did not seem apprehensive on this score, but they had not been prepared to divulge how they hoped to avoid the difficulty. Sir David was also anxious about what seemed to him an ambiguity in the course which the United States intended to follow. At

[202] Commandant en chef, forces d'occupation soviétiques en Allemagne; chef, administration militaire soviétique.
Commander-in-Chief, Soviet Occupation Forces; Chief, Soviet Military Administration.

one time, the delegates spoke of handing back to the common pool all materials which they might justifiably claim, while at others they dallied with the possibility of withdrawing their claim in favour of certain specific countries. In Sir David's view, the latter course would be invidious and unworkable, and he strongly hoped that the Americans would abandon it.

9. Mr. Angus said he thought it was highly probable that Canada would not be disposed to press its full claim, provided that its title to the limited amount of scientific equipment it wanted could be safeguarded. If the Canadian Government decided to follow such a policy, it would naturally be influenced in timing the announcement of its decision not only by domestic, but also by external, considerations. For that reason, he would welcome any expression of opinion as to the best stage at which to drop the claim. Sir David replied that, of course, it was not for him to offer advice; but, personally, he thought there would be a real advantage in dropping the claim earlier rather than later when some credit could be obtained from the gesture. It might also happen that the necessarily small percentage of reparations assigned to Canada might come to be regarded in the public mind as an index of the part Canada had played in the War. If this proved to be the case, resentment would be aroused. By foregoing its claim before any percentage had been worked out, the Canadian Government would avoid any such contingency. Sir David added that he himself was anxious to find some country which would be accepted as disinterested by all the parties concerned and which could act, if necessary, as an arbitrator. For example, if there were a dispute between France and Belgium for the possession of a steel plant, the arbitrating country, after listening summarily to the briefs presented by the two claimants, could assign the plant to one or the other. Sir David suggested that if Canada were prepared to renounce its claim at an early stage, she could very usefully fill the position of arbitrator. He seemed to overlook, however, the fact that the ill-will felt towards the judge by the disappointed party in a suit is usually greater than the gratitude felt by the satisfied party.

10. Sir David attached great importance to the principle which was approved at Potsdam that payment for essential and approved imports should be a first charge on the German economy. A corollary of this was that countries receiving German exports would have to pay for them in hard currencies in order to reimburse supply countries for their shipments of essential foodstuffs into Germany. France, for example, would have to pay dollars for German coal, so that the bill for American and Canadian wheat imported into Germany could be met. This, of course, would meet with opposition from the French. The matter was now being taken up with the French Government. It appeared, however, that over and above exports needed to pay for imports, there would also be some goods from current production available for reparations.

11. It would be too sanguine, in Sir David's view, to believe that the comparative exclusion of Russia from further reparations discussion effected by the Potsdam agreement would remove all the difficulties in the way of a satisfactory settlement. Some of the countries which had to be satisfied from the Western zone were reasonable; others were not. He expected trouble

particularly from Greece and Yugoslavia. When Mr. Angus asked how peaceful would be the work of the Conference of countries with reparations claims to be met from the Western zone, Sir David said: "About as peaceful as the lion house at feeding time."

I have etc.

FREDERIC HUDD

875. DEA/9442-40

Le chargé d'affaires des États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires of United States to Secretary of State for External Affairs

No. 365 Ottawa, August 28, 1945

Sir,

I have the honor, under instructions from my Government, to present the enclosed memorandum and annexes inviting the Canadian Government to submit claims to reparations from Germany as provided for in the Berlin Protocol of August 1, 1945.[203] The Government of the United States is associated with the Governments of the United Kingdom and France in presenting this invitation to submit claims.

Enclosure 1 is based upon telegraphic advices received and appears to contain in one place at least a peculiarity which indicates a slight garble in transmission. When copies of the memorandum and annexes are received by air mail any changes of text will be brought to the attention of the Canadian Government.

The second enclosure† consists of Section IV of the Potsdam Communiqué[204] and is included for convenient reference.

Accept etc.

ROBERT ENGLISH

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[203] Voir États-Unis, *Foreign Relations of the United States. The Conference of Berlin (The Postdam Conference).* 1945, volume II, Washington, U.S. Government Printing Office, 1960, pp. 1478-98.
See United States, *Foreign Relations of the United States. The Conference of Berlin (The Potsdam Conference).* 1945, Volume II, Washington, U.S. Government Printing Office, 1960, pp. 1478-98.

[204] Voir États-Unis, *Department of State Bulletin*, volume 13, 5 août 1945, p. 157.
See United States, *Department of State Bulletin*, Volume 13, August 5, 1945, p. 157.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum des gouvernements de la Grande-Bretagne et des États-Unis et du gouvernement provisoire de la France au gouvernement du Canada

Memorandum from the Governments of Great Britain and the United States and the Provisional Government of France to the Government of Canada

ALLIED COMMISSION ON REPARATION

MEMORANDUM TO VARIOUS UNITED NATIONS

1. On August 1, 1945, the heads of Government of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Socialist Soviet Republics signed a Protocol on German reparations, a copy of which is enclosed.† Particular attention is called to paragraph 3 of the Protocol which reads as follows:

"The reparations claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the western zones and from appropriate German external assets."

2. The Provisional Government of France and the Governments of the United Kingdom of Great Britain and Northern Ireland and the United States of America being the three powers with zones of occupation in western Germany invite the Government of Canada to supply by October 1, 1945, data relating to the reparation claim of the Government of Canada against Germany and the value of pre-war German assets situated in its territory. Suggestions as to the nature of the data to be included and the form in which they are to be presented are set forth in the Annexes A and B of this memorandum.

3. The data under reference may be supplied through regular diplomatic channels. It is suggested that two copies of the data requested be supplied to the diplomatic representatives of France, United Kingdom and United States respectively.

4. It is contemplated that a conference will be arranged for the conclusion of a general agreement of the allocation of reparation deliveries from the western zones of Germany among the countries entitled thereto.

Annex A. Suggestions with regard to presentation of data concerning reparation claims without prejudice to the factors which will be taken into consideration for the determination of reparation claims.

The data submitted by each nation should be such as to reflect losses of and damage to property and persons as well as the contribution of each country towards organizing the victory and its war burdens. For the sake of uniformity, damage and loss should as far as practicable be stated in quantitative units and in 1938 replacement values expressed both in terms of the monetary unit of the claimant country and in terms of 1938 U.S. dollars. So far as possible data should be reported on an annual basis. In all cases the data should relate to the war against the European Axis powers and exclude those relating to the war

against Japan. Damage to and loss of property other than military equipment and installations (in the strict sense of the term) in the course of hostilities against Germany including damage and loss resulting from scorched earth policies in so far as they are not included in the figures given under paragraph 8[205] below:

[I.]

1. Industry and commerce (including mining and power) structures, installations, equipment, stocks of raw materials and goods, and goods in process.

2. Ocean shipping and coastwise shipping.

3. Harbor and port works and installation.

4. Railway and inland water transport, civil aeronautic and automotive transport, structures, installations, equipment.

5. Roads and highways, including bridges.

6. Agriculture productive structures, equipment, livestock, grain stocks, damage to arable lands and forests. (Indicate how long each area damaged, mined or flooded has been or will remain non-productive).

7. Public institutions and municipal enterprises.

8. Household articles and personal effects.

9. Gold, silver coins and bars, national bank notes, foreign currency, securities, jewelry and valuables, works of art or works of historical, scientific, educational and religious interest.

10. Houses and buildings not otherwise included. (Give as many details of the nature and extent of the damage as possible).

11. Other material damage and loss not included in the foregoing categories.

II. Budgetary expenditures allocatable to the war against Germany exclusive of those reported in I above or IV and V below.

[III.]

1. Man-years allocatable to the war effort against Germany.

2. Man-years lost to the national economy by the deportation of labor to Germany and forced labor at the order of Germany on national territory.

3. Loss of life or health and injuries sustained by civil and military victims of the war and occupation.

IV. Costs of German occupation (exclusive of items reported in II above or V below).

1. Forced payments and extensions of credit to the German state or to German agencies such as (a) the Reichskreditkassen and (b) the Deutsche Verrechnungskasse.

2. Other costs (specify).

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[205] En réalité, le paragraphe IV.
In fact, paragraph IV.

V. All other claims of a governmental or private nature against Germany arising out of or during the war with Germany.

VI. And other statistical data which the claimant government desires to put forward for consideration (for each category of property lost or damaged there should be indicated for information not only the quantity and value of each category of properties lost or damaged, but also the total amount existing before the war for the purpose of furnishing a basis for a comparison between the various countries of the damage sustained in relation to their resources).

Annex B. Suggestions with regard to presentation of data concerning German assets or holdings abroad in the country concerned immediately before the date of the entry of that country into the war or its occupation by the enemy.

The following information is desired:

I. List of firms in which Germans have interest.

1. Total value of assets locally owned by such firms.
2. Total value of foreign holdings of such firms.
3. Total value of German interest in such firms.

This list should classify these firms as follows: industrial banks, insurance finance or holding companies, merchandising establishments, retail or wholesale, transport companies, travel and other service establishments.

II. German bank balances, securities, holdings, etc.

A. Bank balances:

1. Of German state in clearings or official funds of any sort.
2. Of German state-controlled institutions or companies.
3. Of German nationals (or on behalf of same).

B. Securities, accounts, safe deposits held in name of or on behalf of Germans.

C. Gold on deposit, other types of holdings.

If full information is not available by October 1 please supply such information as is available by that date and the rest later.

876. DEA/9442-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 200 Ottawa, August 29, 1945

SECRET. Your telegram Circular D. 1131 of June 29th. Reparations from Germany.

We have given careful consideration to your request for statistical information to facilitate the working out of approximate percentage allocations to various countries entitled to reparations from Germany under the Yalta formula at the reparations discussions in Moscow.

2. It appears from the headings set out in paragraph 4 that it is intended to make a distinction between economic wealth destroyed as a result of the war and manpower and economic resources used up in war production as well as manpower losses.

3. Although it is not clear how these different categories are to be weighted in allocating percentages of reparations to respective claimants, you will appreciate that the Canadian war effort in terms of producing food and war supplies not only on behalf of ourselves but also our Allies, has been a substantial one.

4. In making the statistical calculations proposed in your telegram under reference, we have therefore included an estimate of the number of man years served in the war-time production of food for export to our Allies.

5. The relevant figures are set out below under the heads which you suggested.

(a) *War effort against Germany:*

(i) Budgetary cost of the war—fifteen and one-half billion dollars ($15,500,000,000).

(ii) Number of man years served in the forces—two million, six hundred and twenty thousand (2,620,000). Number of man years served in the manufacture of munitions—four million, one hundred thousand (4,100,000). Number of man years served in the production of war-time food exports to Allies above peace-time level—one million and thirty thousand (1,030,000).

(iii) Fatal military casualties—forty thousand (40,000).

(b) *Losses of property in the war against Germany:*

(i) Value of physical war damage on land—No estimate has yet been made of the serious wastage incidental to the rapid exploitation of mines and forests in Canada, nor is there any estimate available at the present time of Canadian properties destroyed or damaged in Allied or enemy countries. Our position is therefore reserved on these points.

(ii) Value at pre-war prices of shipping lost—sixty-two million dollars ($62,000,000).

(iii) Value of overseas disinvestment—no claim.

6. The figures quoted must be regarded as no more than careful approximations. Expenditures and losses incurred in the war against Japan have been excluded.

7. We put forward the above figures at this stage for the background information of the United Kingdom delegation to the Moscow Reparations Commission only and reserve our position with regard to making a claim on reparations from Germany at the appropriate time. Meanwhile, the United Kingdom delegation will no doubt bear in mind the general Canadian attitude towards the reparations problem as outlined in our telegram No. 149 of June 16th.

877. DEA/9442-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires aux États-Unis

Secretary of State for External Affairs to Chargé d'Affaires in United States

TELETYPE EX-3176 Ottawa, August 30, 1945

SECRET. Your teletype WA-4562 of August 29.† Reparations.

1. We have received from the Chargé d'Affaires, United States Embassy here, copy of the memorandum by the Allied Commission on Reparations inviting Canadian Government to submit its claim to reparations from Germany.† The French Government has also approached Canadian Embassy, Paris. No similar invitation has yet been received from the United Kingdom,[206] but United Kingdom Government asked us some time ago to furnish certain statistical data for the information of the United Kingdom delegation to the Reparations Commission in connection with reparations discussions in Moscow. My teletype EX-3144 of August 29† contains the text of our reply to the United Kingdom Government.

2. The question of whether or not Canada will claim a percentage of reparations which may be allocated to us under the Yalta formula will probably be affected by the position adopted by the United States Government in relation to its share.

3. At present, information is lacking here regarding attitude which United States Government likely to adopt. In talks Mr. Angus had in London with United Kingdom Treasury officials, he learnt that it had been agreed that the United Kingdom and United States would have claim to equal percentage share of German reparations, but the United Kingdom officials were far from clear what share, if any, the United States Government would actually claim.

4. From point of view of the United States, and to a lesser degree of Canada, the Yalta formula has the advantage of not requiring a claimant to abate his claim because of increased productivity or decreased unemployment resulting from the war. It is, however, not impossible that the United States may eventually withdraw its claim or assign it wholly or in part to other countries where the element of damage has been more considerable.

5. It would therefore be helpful to us if you could obtain for us informally an indication of the attitude the United States Government is likely to adopt regarding claiming reparations from Germany. As it is likely that we shall have to define our attitude on this question in the near future, we would appreciate it if you would treat this matter urgently.

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[206] L'invitation de la Grande-Bretagne fut envoyée par l'entremise d'une dépêche du haut commissaire en Grande-Bretagne datée du 28 août.
The invitation from Great Britain was sent attached to a despatch from the High Commissioner in Great Britain dated August 28.

878. DEA/9442-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4643 Washington, September 5, 1945

Your EX-3176 of August 30th and EX-3189 of September 1st,[+] reparations claims from Germany.

1. A member of my staff had a long interview this morning with the State Department officials specifically charged with the preparations of the United States claim in accordance with the pro forma attached to the memorandum issued by the Allied Commission on Reparations. I may say at the outset that these officials have no knowledge of any definite policy at a higher level and were unable to answer your enquiry as to whether the United States may eventually withdraw its claim, or assign it wholly or in part to other countries where the element of damage has been more considerable.

2. The program at the moment is that the United States is preparing, and will file, a claim. This claim will consist of both that of the Government and that of private individuals or corporations. That part covering the claim of the Government will be worked out as required by the memorandum and will necessarily be a very arbitrary figure as it has been found almost impossible to allocate that portion of expenses, manpower, etc., related to the war against Germany as distinguished from the part related to warfare against other European countries and against Japan.

3. With respect to the claim of private individuals and corporations, the American Government does not, repeat not, anticipate at present advertising for filing of claims. The estimate of the claim on this account has been made up from the forms filed by individuals and corporations showing their foreign assets in Germany. This report was made to Treasury and is somewhat comparable to the information filed in Canada with the Foreign Exchange Control Board in September 1939, with this difference—that it does not include any property valued under $10,000. To cover claimants with property valued at less than $10,000 an arbitrary figure will be added. I am told that the full amount of the value of individual property will not be claimed as it is considered that there will not be a total loss. Exactly what proportion of the amounts will be claimed has not yet been determined because the lack of Consular representatives and other officials has precluded any detailed survey of properties owned by Americans in Germany. It was also explained as a reason for deciding not to advertise for claims at the moment that, if such action was taken, it would be necessary for the authorities to permit interested parties to proceed to Germany to survey their properties, and visits of this type are at present being prohibited.

4. In the preceding paragraph I referred specifically to claims for property. It is appreciated that there will be other claims for personal injuries and other

intangibles. The American claim will be weighted to cover such items, but, again, the amount will be arbitrary as it is felt that the actual amount of the claim filed with the Allied Commission will not bear any direct reference to the total of the claims made by individuals. This may be more clearly explained by pointing out that the only step that will be taken at the moment by the Allied Commission is to agree that the various countries concerned will have a claim to a certain percentage share of German reparations, and that no actual amounts in dollars and cents, or other currency, will be fixed. It will then become an internal problem in each country as to how it will deal with the claims of its nationals. In this regard I was told informally that there was more likelihood of the individual receiving a greater percentage of his claim than, for example, large corporations. Again, the settlement of claims from American nationals by the United States Government will be an internal and political matter, and will not necessarily bear any direct relation to the actual amount of reparations which the United States may be entitled to claim as its share from Germany.

5. It was definitely confirmed that the claim placed before the Allied Commission would be that of the United States Government and that no separate individual claims would be filed with the Commission, it being the responsibility of the United States Government to satisfy the claims of its nationals.

6. During the discussion the State Department officials stated that they would appreciate being informed as to whether Canada has decided what type of reparations it would request in payment of its claim. In short, would emphasis be placed on a share in German assets now held abroad, in capital goods, or in some other form of repayment?

879. DEA/9442-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2102 Ottawa, September 11, 1945

Reference your despatch No. A. 356, August 24th, Reparations.

We wish to clarify relation between allocation of German war materials under Allied Declaration regarding defeat of Germany and under any reparations plan that may be agreed upon for the western zone of Germany. We have noted from your despatch under reference that Waley was of the view that there would be no difficulty in obtaining certain German scientific, technical and industrial equipment. On the other hand, in paragraph 5 of your despatch A. 308 of 30th July† you refer to E.I.P.S.[207] paper in which definition of war materials would be restricted to cover inventories and vocabularies of

[207] Economic and Industrial Planning Staff.

German armed forces only, all other material being treated as reparations to be assigned in accordance with the Yalta formula.

Before coming to a decision as to whether or not the Canadian Government is to make a claim for a share of reparations from Germany in accordance with Potsdam Protocol on reparations, it is essential that we should know whether we would be able to obtain the type of German war materials included in list forwarded under our despatch 1310 of August 9th† under the Allied Declaration regarding the defeat of Germany, or whether assignment would have to wait for allocation of reparations. The problem has become pressing in view of desire of Reconstruction Department for certain items of German industrial equipment, particularly aluminum rolling mills on which representative of Aluminum Company on the Canadian investigating team has submitted a report.†

For your own information we are not so much interested in ascertaining formal categories into which the various items of German assets may fall as in taking practical measures for obtaining through the proper channels the equipment desired with the least possible delay. Please treat this matter as urgent.

880. DEA/9442-40

Le haut Commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2640 London, September 13, 1945

Your telegram No. 2102 of September 11th, reparations.

1. Nothing in my despatch No. A. 356 of August 24th would justify the belief that it will be possible to obtain German industrial equipment as captured war material. As you will see by referring to paragraphs 4 and 7 of that despatch, the only place at which the strict definition of booty is being relaxed is in order to include scientific equipment. Industrial equipment [will] certainly be treated as reparations.

2. For example, there is no doubt that the aluminium rolling mills wanted by the Department of Reconstruction can only be obtained as reparations. They should, therefore, be added to the Canadian reparations claim which, presumably, will be presented to the international conference, forecast in my despatch No. A. 371 of August 28th,† of all the countries whose reparations claims must be satisfied from the western zones. I have been informed by the Dominions Office that there is no intention that goods available as reparations should be actually seized now to be put on a reparations claim later.

3. That is one end of the scale. At the other, there are items which can be regarded with equal assurance as booty. A good illustration would be the German small arms requested by the R.C.N. Such articles, if they formed part

of the equipment of the German armed forces, are being allocated by the London Munitions Assignment Board and present no difficulty.

4. The real difficulty arises over the intermediate, border-line cases. They chiefly concern pieces of scientific equipment not included in the inventories of the German armed forces. Such items of scientific equipment are being considered by exception as booty, but are not being allocated by the London Munitions Assignment Board, which deals only with equipment used by the German forces. Such scientific equipment is being allocated by the scientific Departments of the Service and Supply Ministries here. Already the Canadian services have obtained a considerable amount of material through these channels and I have no doubt that additional items may be obtained when service claims are backed by diplomatic representations.

5. To recapitulate, there are three ways in which Canada can obtain from Germany the goods she wants:

(a) Weapons and other military equipment actually used by the German armed forces may be obtained by direct application to the London Munitions Assignment Board.

(b) Scientific equipment not directly used by the German armed forces, but nevertheless considered as booty, may be obtained through the scientific Departments of the United Kingdom Service and Supply Ministries.

(c) All other goods, including industrial equipment, are available for reparations and may be obtained only after formal claims for them have been approved by the international conference which will be called to deal with this question.

6. In view of the circumstances which I have outlined above, we are dealing with the list of war material which you sent us under cover of your despatch No. 1310 of the 9th August[†] in the following way:

(a) The list has been submitted to the Canadian Advisory Targets Committee and there has been supplemented by items which appear on other lists prepared by our services and by the Canadian civilian Departments concerned.

(b) This consolidated list has then been divided into two categories, the first including all items which it is believed can be directly obtained from the London Munitions Assignment Board and the second containing the residue. The Chairman of the Canadian Advisory Targets Committee has put in a claim to the London Munitions Assignment Board for all the items in the first category.

(c) We are presenting a list containing the residual items to the Dominions Office requesting them to forward it to the Service and Supply Ministries concerned and urging that Canada receive her fair share of all this scientific equipment.

(d) We are explaining to the Dominions Office that in the list presented to them we have included, by inadvertence, some items which can only be obtained as reparations. We are asking them not to take any action about such items for the time being, but to draw them to our attention. At a later date, the

Canadian Government will presumably include them in a formal claim for reparations.

7. Until we hear from you, we will not take any action about the aluminum rolling mills which, clearly, can only be obtained as reparations. Ends.

881. DF/135-10-1, Vol. 545

Mémorandum du ministère des Finances au ministre des Finances

Memorandum from Department of Finance to Minister of Finance

Ottawa, September 19, 1945

RE: REPARATIONS QUESTIONS FOR CABINET TODAY

I have looked into these papers on reparations and discussed them with several officials in External Affairs and with Mr. Tolmie[208] here. The problem is an important and complicated one, on which I hesitate to make any snap recommendations.

I understand that Mr. Heeney is going to propose that the discussion of this subject be deferred in Cabinet until next week. As far as we have been able to find out, there is no real urgency requiring a decision this week rather than next. Some communication must be given the United States, the United Kingdom and France on October 1st, but work on that matter is going forward in any event, so that recommendations can be prepared for consideration next week.

On the questions specifically asked in the memorandum,[209] I would suggest the following. (See Paragraph 9 for questions.)

(a) The data requested by the other Governments should be prepared, in so far as it can be prepared, from information now at the disposal of the Government.

(b) What we have should be furnished to the other Governments on October 1st with reservations indicating that we wish to obtain further information on certain points. I think in providing such data, the Canadian Government should give notice that it reserves its position as to the assets held by the Custodian.

(c) I think, for reasons that will be indicated below, that Canada should not seek representation at the conference to be held on the allocation of reparation deliveries from Western zones of Germany.

(d) I think the Government should not advertise for claims until after it has decided on the policy it will follow in regard to reparations and has made a public statement thereon. I think it should ask for access to German records in order to establish more definitely German assets controlled by the Government and to verify Canadian claims to German assets.

[208] Avocat général par intérim de la Trésorerie, le ministère des Finances.
Acting Solicitor to the Treasury, Department of Finance.

[209] Non trouvé.
Not located.

(e) I think an Interdepartmental Committee should be established, but I think it should submit recommendations and advice to the Government as well as to the Custodian regarding the general policy which Canada should follow in regard to reparations.

In regard to general policy, I would suggest tentatively the following, although I would like more time to consider this matter:

Canada should, I believe, renounce at an early stage, when it will have most effect in improving Canadian prestige, all claims to reparations except under certain headings. These exceptions should include

(1) The right to obtain scientific and research equipment and supplies from Germany, both military and other.

(2) The right to obtain a few specified items of industrial equipment urgently needed, for example, aluminum rolling mills, which I understand the Department of Reconstruction is very anxious to obtain.

(3) German assets in Canada or controlled by the Canadian Custodian should be reserved, at least for the time being, with the intention of applying them, in whole or in part, to the meeting of private direct claims against Germany, arising out of the war. (In this connection, Mr. Tolmie tells me it is widely believed that the Custodian controls far more than $6,000,000 worth of German assets, as indicated in the statement circulated to the Cabinet.)†

If this general policy is followed, Canada need not attempt to define closely the statistics which would be used to support a claim, nor need she attend the acrimonious conferences on the allocation of deliveries from Western Germany. I believe the policy suggested can be defended on the ground that the urgent claims of European countries and the United Kingdom cannot possibly be satisfied in full, and that we feel theirs are far stronger moral claims than any which Canada can advance under the Yalta formula.

R. B. BRYCE

P.S. Dr. Mackintosh suggests that attention should be called again to our interest in ensuring that the cost of German imports is a first charge on the proceeds of German exports, ahead of reparations, and the above policy recommendations should be considered only as based on the understanding that this is the case.

882. DEA/9442-40

Mémorandum du ministère des Affairs extérieures au Cabinet

Memorandum from Department of External Affairs to Cabinet

CONFIDENTIAL Ottawa, September 24, 1945

REPARATIONS FROM GERMANY

1. At the Berlin Conference the Heads of Governments of the United States of America, the United Kingdom and the Union of the Soviet Socialist Republics signed, on August 1st, 1945, a Protocol on German reparations.

2. This Protocol constitutes an agreement between the Governments of the U.S.S.R., U.K. and U.S.A. with which France was later associated. By this agreement reparations claims of the U.S.S.R. and Poland are to be met from the zone of Germany occupied by the U.S.S.R. and from appropriate German external assets. The reparations claims of the U.S.A., the U.K. and France and other countries entitled to reparations are to be met from the western zones and from appropriate German external assets.

3. Canada, as one of the countries entitled to reparations from the western zones of Germany, has been invited by the governments of the United States, United Kingdom and France, being the three powers with zones of occupation in western Germany, to supply data by October 1st, 1945, relating to the reparation claim of the Government of Canada against Germany and the value of pre-war German assets situated in its territory. The invitation is in the form of a memorandum.

4. It is stated in the memorandum that a conference is contemplated for the conclusion of a general agreement on the allocation of reparations deliveries from the western zones of Germany among the countries entitled thereto.

5. It is desired to obtain the approval of Cabinet on the following matters

(1) That the Canadian Government should furnish the data concerning reparations along the same general lines as are set out in the memorandum referred to above. The information furnished should not take the form of a reparations claim. It should be a table of statistical information prepared for consideration at the Conference.

(2) The information given should consist of global estimates and it should be pointed out to the governments requesting the information that it is impossible at this stage to give more detail.

(3) The transmission of the statistical information should be accompanied by reservations

(a) that the Canadian Government reserves for the time being the question of whether a reparation claim will or will not be put in on behalf of Canada;

(b) that the Canadian Government reserves its rights in respect of enemy assets in Canada for the purpose of meeting Canadian claims;

(c) that in transmitting the statistical information, it should be made clear that the Canadian Government reserves its right to a reasonable share of German industrial equipment on reparations account.

(4) That advertisement for claims should be deferred until after the Conference.

(5) Steps should be taken without delay to obtain access to German records in order to establish assets controlled by Canada and to verify Canadian claims on German assets.

(6) That a standing interdepartmental committee should be established to study reparations questions and submit advice and recommendations to the Cabinet from time to time.[210]

883. DEA/9442-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur des États-Unis

Secretary of State for External Affairs to Ambassador of United States

No. 90 Ottawa, September 29, 1945

Excellency,

I have the honour to refer to "Memorandum to Various United Nations" with regard to the Allied Commission on Reparations,[211] in which the Government of Canada was invited by the Governments of the United States of America and Great Britain and the Provisional Government of France to supply data relating to the reparations claim of Canada against Germany, and to state the value of pre-war German assets situated in its territory.

2. In compliance with this request, the summary of statistical data set forth below has been prepared and is being transmitted at the same time to the diplomatic representatives of the United Kingdom and of France. The Canadian diplomatic representatives in Washington, London and Paris are being furnished with the information today and requested to communicate it to the governments to which they are accredited.

3. It is understood that this information is requested for the purpose of working out approximate percentage allocations to various countries entitled to reparations from Germany under the terms of the Protocol on German reparations signed by the Heads of Governments of the United Kingdom, United States and the U.S.S.R. at Berlin on August 1st, 1945.

4. It is further understood that a Conference is contemplated for the conclusion of a general agreement on reparations among those countries whose claims to reparations are to be met on the basis proposed in paragraph 3 of the Protocol which reads as follows: "The reparations claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the western zones and from appropriate German external assets."

5. Pending the conclusion of such an agreement, the Canadian Government reserves its position with regard to making a claim on reparations from Germany, including a share of German industrial equipment. The Government of Canada likewise reserves its right to all German assets and holdings situated in its territory, of any kind whatsoever, for the satisfaction of Canadian claims.

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[210] L'approbation du Cabinet fut donné le 28 septembre.
Cabinet approval was given on September 28.

[211] Voir la pièce jointe, document 875.
See enclosure, Document 875.

6. The figures given are to be regarded as preliminary and subject to later revision as further information becomes available. The figures are presented in the form set forth in Annexes A and B in the memorandum from the Allied Commission on Reparations.

ANNEX A

I. No estimate is available at the present time of Canadian properties destroyed or damaged in the course of hostilities against Germany nor has an estimate been made of serious wastage incidental to the rapid exploitation of the natural resources of Canada for the purposes of war production on behalf of Canada and her Allies.

Aggregate preliminary totals for categories 1, 8, 9 and 10 are based on claims filed with the Canadian Custodian:

$81,000,000

1. Industry and Commerce
8. Household Articles and Personal Effects
9. Gold, silver coins and bars, etc.
10. Houses and Buildings not otherwise included

$62,000,000

2. Ocean Shipping and Coastwise Shipping

There is no data available relating to 3, 5, 6, 7 and 11.

II. Budgetary expenditures allocatable to the war against Germany—$15,500,000,000.

III. (1) Man-years allocatable to the war effort against Germany—7,750,000.

(2) Man-years lost to the national economy by the deportation of labour to Germany and forced labour at the order of Germany on national territory—no data.

(3) Loss of life or health and injuries sustained by civil and military victims of the war and Occupation

Casualties reported for the three Canadian armed services from September 3rd, 1939, to August 14th, 1945, are as follows:

Killed or died—37,476
Currently missing—1,843
Wounded—53,174

IV. Costs of German occupation—no data.

V. All other claims of a governmental or private nature against Germany arising out of or during the war with Germany—no data.

VI. Any other statistical data which the claimant Government desires to put forward for consideration—no data.

ANNEX B

The information dealt with in Annex B is not available but will be transmitted later.

Accept etc.

J. E. READ
for the Secretary of State
for External Affairs

884. DEA/9442-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2994 London, October 15, 1945

SECRET. Your telegram No. 2275 of September 29th,† reparations.

1. At a meeting at the Treasury this afternoon, which LePan attended, Sir David Waley announced that the United Kingdom, the United States and France are convening a Conference in Paris of representatives of all countries whose reparation claims are to be satisfied from the western zones. This will be a Conference of officials and it is hoped that delegations will be kept as small as possible.

2. The functions of the Conference will be as follows:

(a) To set up the Inter-Allied Reparations Agency, which will have the responsibility of making final allocations of reparations from the western zones. It had been hoped that this agency could be established in Berlin, but the difficulty of finding accommodation there has made this plan impossible. The present intention is to locate the agency in Brussels.

(b) To work out, if possible, the percentage of reparations to which each country with claims on the western zones is entitled.

(c) To make provisional allocations of German industrial equipment.

3. The Russians have been pressing for the adoption of some procedure which would enable them quickly to receive delivery of their share of industrial equipment from the western zones, and the present proposals have been worked out in large measure to meet their wishes. On the other hand, the U.S.S.R. will not be represented at the Paris Conference. They have been invited but evidently prefer not to be in a minority of one.

4. The allocations made at this Conference will be provisional, but whoever represents Canada should be equipped not only with the statistical data[212] contained in your telegram No. 2275 of September 29th,† but also with a list, if

[212]Voir le document précédent.
See preceding document.

need be incomplete, of the industrial equipment which Canada might like to claim as reparations.

5. In our telegram No. 2532 of September 3rd†, we forwarded details of some aluminium rolling mills in Germany which might be useful in connection with the re-housing program in Canada, and you instructed us to obtain this equipment if possible. I suggest that these mills might be asked for as reparations at the Conference in Paris. As the result of the surveys made in Germany by the Canadian investigators who were despatched from Canada in August under the auspices of the Joint Committee on Enemy Science and Technology (J.C.E.S.T.), information has been secured about other industrial equipment which, in the view of representatives here of the Department of Reconstruction and of the National Research Council, might be of use to Canada. We will cable within the next few days detailed descriptions about this additional equipment, so that a decision can be reached in Ottawa as to whether or not it would be useful. If that is the case, a claim for it might also be made at Paris.

6. The formal invitation to the conference should reach us tomorrow and will be despatched immediately to you by bag.[211] A full report† on this afternoon's meeting at the Treasury will also go forward at the same time.

885. DEA/9442-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

DESPATCH 2469 Washington, October 17, 1945

Sir,

I have the honour to refer to the subject of reparations and to enclose herewith two notes on this subject received from the Department of State, both dated October 15.

2. The first note, while not specifically referring to my note No. 347 of October 4,† a copy of which was forwarded to you under cover of despatch No. 2357 of October 4,† refers to the supplying of data relating to the reparation claim of the Canadian Government and invites the Canadian Government to appoint a representative to the meeting of officials to be held in Paris on November 9, 1945, to consider the data supplied by the Governments concerned. Additional copies of the memorandum referred to in the note have been prepared and are attached.

3. The second note† refers to the fact that certain capital industrial equipment in the western zones of Germany will be available for deliveries, and enquires whether the Canadian Government desires to put forward a request to

[211] Voir le document suivant.
See following document.

receive any type of plant or equipment by way of advance deliveries or otherwise.

I have etc.

THOMAS A. STONE

[PIÈCE JOINTE/ENCLOSURE]

Note du secrétaire d'État des États-Unis au chargé d'affaires aux États-Unis

Note from Secretary of State of United States to Chargé d'Affaires in United States

Washington, October 15, 1945

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of Canada and informs him that the Provisional Government of France and the Governments of the United Kingdom of Great Britain and Northern Ireland and the United States of America have invited the Government of Canada to supply by October 1, 1945, data relating to the reparation claim of the Government of Canada against Germany and the value of pre-war German assets situated in its territory.

The Three Governments now invite the Government of Canada to appoint a representative to a meeting of officials to be held in Paris on November 9, 1945, to consider the data supplied by the governments concerned and to prepare the way for an Inter-Governmental Agreement on the allocation of reparation receipts as between these governments.

The Three Governments further suggest that this conference of officials should make recommendations to their governments in regard to the appointment of an Inter-Allied Reparation Agency. A memorandum on this subject is enclosed which might form the basis of discussion. The Three Governments consider that the Agency should, if possible, start its work by December 1st, 1945.

[ANNEXE À LA PIÈCE JOINTE/SUB-ENCLOSURE]

Mémorandum des gouvernements de Grande-Bretagne et des États-Unis et du gouvernement provisoire de la France

Memorandum by the Governments of Great Britain and the United States and the Provisional Government of France

I. The Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America propose the establishment of an Inter-Allied Reparation Agency (hereinafter referred to as The Agency) to which the countries entitled to reparations from Germany other than the Union of Soviet Socialist Republics and Poland shall be invited to appoint members. It will be recollected that the share of those two countries has been otherwise dealt with.

II. The functions of The Agency will be:

(A) To receive from the Control Council in Germany lists (with valuation) of the industrial capital equipment available to member Governments for reparation under Articles 6 and 7 of Section IV of the Potsdam protocol;

(B) To receive from the Member Governments lists of the industrial capital equipment from the western zones which they desire to receive as reparations under the above-mentioned Articles 6 and 7;

(C) To allocate material between the Member Governments;

(D) To perform such other functions as are entrusted to it in regard to the allocation of reparation.

III. The President and Secretary General of The Agency and the Chairman of the Committee of Five referred to below will be appointed by the Governments of France, the United Kingdom and the United States of America.

IV. The Secretariat General will draw up programmes for the allocation of material between the member countries taking into account their respective needs and will submit their programmes to The Agency. In case of objection by any member of The Agency or in case two or more countries desire to receive the same material, the matter will be referred to a Committee of Five of which the delegations to The Agency representing the Governments of France, the United Kingdom and the United States of America shall be permanent members. The other two members shall hold office in rotation for a period of two months and shall be the delegates of the other Member Governments chosen in the alphabetical order of the names of the countries concerned in the French language. The decisions of the Committee of Five will be final. They shall be taken by majority vote, each member having one vote.

V. On all questions other than those referred to in the preceding paragraph and in paragraph VII The Agency will decide by majority vote, each delegate being entitled to one vote.

VI. The question of fixing the seat of The Agency in Brussels is under discussion with the Belgian Government. The Agency will also have an office at such place or places in Germany as may be agreed with the Control Council.

VII. Each Member Government will meet the expenses of its own delegation. The common expenses of The Agency (paragraph VIII below) will be borne by the Member Governments in proportion to their shares in German reparations. The annual budget of The Agency will be subject to the approval of The Agency and for this purpose the voting power of each Member Government will be in proportion to its share in German reparations.

VIII. (1) The Control Council and the Commanders-in-Chief in their several zones will be requested to ensure to The Agency, to its members, and to the staff of The Agency and of its members (other than German nationals and other persons recruited locally) the following facilities:

(A) The free provision at the cost of the German authorities of such local services and local currency as may be required in Germany for their accommodation and transport and approved by the Zone Commander concerned;

(B) Their exemption from all German taxation including customs duties;

(C) Their exemption from exchange restrictions and from suit and legal process in any German court;

(D) The inviolability of their premises and their archives subject to the right of search where a crime has been committed under Military Government law;

(E) Appropriate freedom of communication by cypher and otherwise with their respective Governments to the same extent as that enjoyed by Military Missions attached to the Control Council:

(2) The above facilities shall only be granted to any of the personnel specified in this paragraph when his name has been notified to the Control Council.

IX. All other facilities which The Agency may require in Germany shall be the subject of agreement between it and the Control Council or the Commanders-in-Chief in their respective zones.

X. Subject to the provisions of paragraph VIII the personnel mentioned therein shall be subject in each zone to the same regulations as apply in that zone to officers of corresponding rank, status and nationality in the service of or attached to the Commander-in-Chief of that zone or the Control Council.

886. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET Ottawa, October 25, 1945

...

REPARATIONS CONFERENCE; CANADIAN PARTICIPATION

11. THE SECRETARY, referring to the discussion at the meeting of September 28th, reported that an invitation had been received from the governments of the United Kingdom, the United States and France for Canadian participation in a meeting of officials to prepare the way for inter-governmental agreement on the allocation of reparations and to make recommendations regarding the appointment of an inter-allied reparation agency.

(External Affairs memorandum, Oct. 24, 1945).†

12. THE CABINET, after discussion, agreed:

(a) that the government accept the invitation to participate in the conference on reparations; representatives and advisers to be selected by the Department of External Affairs in consultation with the Departments of Reconstruction and the Secretary of State;

(b) that the Canadian representatives be authorized to participate in the establishment of an inter-allied agency for making final reparations allocations in the western zones of Germany and in the determination of allocations; and

(c) that, pending inter-governmental agreement, the Canadian delegation reserve decision in respect of a reparations claim on behalf of Canada and in respect of any German assets and holdings under the control of the Canadian custodian.

...

887. W.L.M.K./Vol. 415

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre[214]

Memorandum from Under-Secretary of State for External Affairs to Prime Minister[214]

London, October 25, 1945

You may wish to look through the attached note by LePan, of our Canada House staff, outlining the Canadian interests in the general problem of German reparations, which is to be considered at an Inter-governmental meeting in Paris on November 9th.

I feel that our chief national interest in the handling of German reparations is to see that it permits Germany to pay, as a first charge, for the absolutely essential imports which will be required to keep the German people alive for the next year or two.[215] A substantial part of these imports will be wheat from Canada. This can only be paid for by Germany if the countries taking delivery of German exports (such as coal) pay for them in hard currency, which would then be available for paying for German imports.

The western countries have been working on a formula for allocating amongst themselves such reparations payments as may be squeezed out of the western zone of Germany. They have been trying to find a formula which would give adequate weight both to physical destruction suffered during the war and to the total cost to national economies of the successful war effort.[216]

I am inclined to think it would be better to restrict reparations claims to compensation for actual physical damage and destruction resulting from the war.[217] This would reduce the total claim to something which could be brought into ascertainable relation to Germany's capacity to pay. It would also mean that the United States and Canada and other overseas allies would get no part of reparations except, say, for merchant ships sunk.[218]

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[214]La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Gibson. Fyle after asking Robertson if any further discussion required. K[ING] 4-12-45.

[215]Note marginale:
Marginal note:
yes.

[216]Note marginale:
Marginal note:
this will be expected

[217]Note marginale:
Marginal note:
no, but to make first claim

[218]Note marginale:
Marginal note:
I doubt this. K[ING]

My reasons for recommending this approach to the problem are:

(a) We are not likely, in any event, to get any appreciable sum on reparations account.[219]

(b) If we submit a paper claim based on the real cost of the war to the Canadian economy and then get nothing substantial from it, we may be criticized for, in effect, "waiving" a claim against Germany.[220]

(c) It would be easier for our people to understand why we did not get reparations if reparations were limited to compensation for physical destruction of existing capital assets, than if the scale of reparations were felt to be related to the contribution the different allies had made to the winning of the war.[221]

(d) Only if reparations are kept within very modest figures is there any prospect of Canada or other western countries ever being paid for the minimum quantities of foodstuffs which are essential, on humanitarian grounds, to be made available to Germany to prevent famine and epidemics.[222]

N. A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du deuxième secrétaire, le haut commissariat en Grande-Bretagne

Memorandum from Second Secretary, High Commission in Great Britain

SKETCH FOR A REPARATIONS POLICY

1. Specific Canadian Interests.

Leaving out of account for the moment some more general considerations which will be mentioned later, it seems to me that the following specific Canadian interests are involved in this question.

(a) *Payment for Canadian Exports to Germany.* Canadian wheat will be required in the British Zone this winter if plague and famine are to be avoided, and we must insist on payment. At present, our interest in this regard is protected, since we have informed the United Kingdom Government that we will demand payment in hard currencies from the United Kingdom for all Canadian wheat exported to Germany. But it would seem to be only fair that

[219]Note marginale:
Marginal note:
even so, we w[oul]d be in the same position without having given away a claim which some might regard as an additional loss.

[220]Note marginale:
Marginal note:
No. We can hold it without pressing. Germany may build up anew.

[221]Note marginale:
Marginal note:
not sure of this

[222]Note marginale:
Marginal note:
not if 1st part stands. K[ING]

at all international meetings dealing with reparations we should support the United Kingdom view that German exports should be used to pay for essential and approved imports before reparations are allowed from current production. This principle was accepted at the Potsdam Conference; but it will obviously be difficult to sustain and has already been partially modified (cf. Circular Despatch D. No. 54 of the 17th October).† We should firmly resist any further attempts to restrict its application.

(b) *Canadian Property in Germany.* There are some industrial plants in Germany owned by Canadian nationals. For example, I believe the Aluminum Company of Canada owns at least two plants in Germany. It would seem improper that we should allow any concern over such plants to lead us to urge exceptions in the over-all policy to be applied to German industry. If it is decided by the Control Council, for example, that these plants should be destroyed or be dismantled and declared available as reparations,[223] we should not protest. Compensation, presumably, might be found for the Companies concerned from German assets held in Canada.[224] On the other hand, we should urge (a) that where only a part of any industry is to be destroyed, plants owned by Canadian nationals should be included among those to be retained for peacetime production in Germany,[225] and (b) that if industrial plants owned by Canadian nationals are declared available as reparations, Canada should have the first option on them.[226]

(c) *Scientific Information and Equipment.* It is of high importance that Canada should receive the maximum amount of information about recent scientific research and development in Germany. This information, however, is not usually dependent on the acquisition of any considerable bulk of equipment. I have been informed by Brigadier F. F. Fulton, Chairman of the Canadian Advisory Targets Committee (C.A.T.C), by Dr. J. G. Malloch of the National Research Council, by Dr. J. B. Phillips of the Department of Reconstruction and by other members of the C.A.T.C. that this information is usually best obtained from papers and specifications and through examinations conducted by investigators on the spot. Small working models or, occasionally, pilot plants may be useful; but it is not necessary to take large shipments from Germany in order to extract the desired information. In any case, scientific and research equipment is being considered, by exception, as war material and not

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as reparations. It can, therefore, be obtained by direct negotiation with the United Kingdom Government.

(d) *Industrial Plants and Equipment.* Some German industrial plants or parts of industrial plants could, no doubt, be used in Canada, if they could be obtained as reparations. In particular, a representative of the Department of Reconstruction, Mr. M. N. Hay of the Aluminum Company of Canada, has reported that there are aluminum rolling mills at Hanover and Eveking, which would be useful in connection with the Canadian housing programme. A hydrazine hydrate unit has also been reported by Dr. Adrian Cambron, one of the scientific investigators who have recently been in Germany under the auspices of the C.A.T.C. But the number of plants which these investigators have found and have considered to meet Canadian needs is exceedingly small. Discussion with members of the C.A.T.C. reveals that even these few plants would not be so suitable to Canadian needs as plants built to fresh specifications; would be very expensive to dismantle and ship across the Atlantic; and would suffer sharply in efficiency as a result of the move.

2. Arguments against Making Particular Claims.

It seems unlikely that the Canadian people will regard the acquisition of a few second-hand plants of doubtful efficiency as adequate reparation for their sacrifices during the war. Besides, there is no assurance that we can obtain the material we want, even if we bid for it. The arguments over the allocations of reparations will likely be protracted and acrimonious. In any case, the amount of reparations which Canada can hope to obtain will certainly be small when the claims of other countries are considered. In view of these facts, the material rewards which Canada might obtain do not seem to me to justify us forfeiting the advantages of a disinterested position.

3. Our General Interest.

The broader context of our interest in reparations is our interest in the pacification of Europe. Any contributions to that end, however slight, would be far more valuable to us in the long run than the acquisition of a few mills, compressors, condensers, generators and pumps. Our influence will not be decisive; but if we retain a disinterested position we will at least have the chance to work for a reasonable settlement. We will be able to use our influence to moderate, so far as possible, the acrimony of these discussions, to urge that reparations should go to the countries which have suffered the most severe and widespread physical damage, and, beyond that, to try to prevent Germany from being so stripped of her possessions that the country becomes a charnel-house and centre of infection for the rest of Europe.[227]

4. Recommendations.

It is therefore recommended:

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(a) that at the forthcoming Conference in Paris which opens on the 9th November, we should put in a general claim for a fair percentage of reparations;[228]

(b) that we should not put in particular claims for industrial equipment, either as advance deliveries or otherwise,[229] the only proviso being that we should reserve the right to receive as reparations any plants in Germany belonging to Canadian nationals which are declared to be available.[230]

(c) that, at a later stage to be decided on, we should withdraw our claim altogether;[231]

(d) that we should insist that German current production should be used to pay for essential and approved imports before being made available as reparations;[232]

(e) that we should use the German assets held in Canada to meet individual claims of [Canadian] nationals;[233]

(f) that we should use whatever influence we will have by reason of our disinterested position in the manner suggested in paragraph 3 above.[234]

888. DEA/9442-40

Le deuxième secrétaire, le haut commissariat en Grande-Bretagne, au sous-secrétaire d'État par intérim aux Affaires extérieures

Second Secretary, High Commission in Great Britain, to Acting Under-Secretary of State for External Affairs

CONFIDENTIAL London, October 27, 1945

Dear Mr. Wrong,

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[228] Note marginale:
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I had a conversation with Mr. Robertson on Wednesday about reparations and he suggested that it might be useful if I were to communicate his present views to the Department. At the moment, he is in Paris, so that it has been impossible for me to submit this letter to him and to make sure that it covers all his points; but I think I remember well enough what he said. In any case, you will already be acquainted, in outline at least, with his views on this subject.

The occasion of our talk was the personal memorandum which I recently prepared and which went forward to Ottawa under cover of despatch No. A. 509 of the 25th October.† You may care to relate these observations of Mr. Robertson's to that memorandum.

On the whole, he was disposed to agree with the contention that we should not put in particular claims at the forthcoming Paris Conference for industrial plant and equipment as advance deliveries. Our general interest, he thought, was not to take anything out of Europe. On the other hand, he was doubtful whether it would be wise to enter a claim for a percentage of reparations if the present bases for reparation claims continued to be operative. He foresaw two possible domestic difficulties. If the Crimea formula were followed, whereby claims for reparations are to be based both on war damage and war effort, the Canadian people would naturally regard the percentage of reparations allocated to us as an index of our share in winning the war and might easily consider the small percentage, which is likely all that we will obtain (say, 2% or2½%), as derisory and contemptible. If, later, we were to withdraw our claim, there might be a public outcry, partly on the grounds that we were sacrificing material benefits and, partly, on the grounds that we were being easy on the Germans; it might be represented that not only had we subsidized other foreign countries through U.N.R.R.A., Military Relief and Mutual Aid, but that we were now proposing to treat Germany with similar philanthropy. The picture might be drawn of the Canadian Government ladling out benefits with stupid generosity to all and sundry.

Our interests would best be served, Mr. Robertson thought, if, at this stage, it were possible to depart from the Crimea formula and persuade all the countries with claims on the Western Zones, with the exception of Russia, (whose proportion of the total has, in any case, been fixed) to accept physical damage as the sole basis for reparation claims. If that principle were adopted, our own claims, of course, would dwindle almost to the vanishing point. They would be based simply on our shipping losses. We could then feel free to submit without reservation our full claim in the knowledge that it would be so small that it would have virtually no effect on the economy of Europe. The Canadian public could have no cause for complaint, since the small amount of physical damage which Canada has suffered during the war, as compared with countries which have either been occupied or have been subject to attack from the air, would be easily apparent. We would also avoid any domestic difficulties which might arise over withdrawing our claim.

It is difficult to determine what reception this proposal might have at the Paris Conference. The percentages of reparations to be allotted to all the

occupied countries would be obviously increased if this suggestion were adopted, although some would be increased more than others. No doubt, for this reason, all such countries would find the proposal attractive. I have sounded United Kingdom officials tentatively to see what their reaction would be. They are uncertain whether their percentage would be increased or decreased by this change, and so are unwilling to give any expression of opinion. Mr. Robertson believes that, after examination, they will find this proposal to be in their interest.

The countries whose percentages would go down are, of course, the United States, ourselves and the other nations in the Commonwealth. From conversations with officials in the other High Commissioners' Offices here, I gather that neither Australia, New Zealand nor South Africa is seriously concerned about obtaining reparations. The position of the United States is much more doubtful. Some months ago, Mr. Pauley[235] let it be known that, although the United States intended to claim for reparations, at a later stage their claim would be withdrawn. More recently, however, the United States delegates on the Reparations Commission, I understand from Sir David Waley, have been playing their cards very close to their vests and have given no indication as to when, or indeed if, their claims are to be withdrawn. It is clear that if Mr. Robertson's proposal is to have any chance of success, it will require support from the United States. Otherwise the argument will move back very quickly to the stronghold of the Crimea formula and it will be difficult to the point of impossibility, I imagine, to dislodge the Americans from that bastion if they choose to defend it. On the other hand, they might be prepared to follow our suggestion if we could convince them prior to the Conference that, if they intend to submit a claim to be withdrawn later, they may very probably run into difficulty with public opinion in the United States. It seems to me that they must share this particular dilemma with ourselves and, for that reason, might be willing to adopt the course which Mr. Robertson has suggested.

In any case, Mr. Robertson thought that it would be useful for the Department to have his observations while policy about this subject is still under discussion in Ottawa.

Yours sincerely,

D. V. LePan

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[235] Représentant spécial du Président des États-Unis sur la Commission des réparations.
Special Representative of the President of the United States on the Reparations Commission.

889. DEA/9442-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3168 London, October 31, 1945

SECRET. Following for Wrong from Robertson, Begins: Your telegrams No. 2514† and No. 2548† regarding Reparations Conference.

Prime Minister has approved of designation of General Pope as our representative at Reparations Conference, with McPherson[236] and Rae to accompany him. If London arrangements permit I should like to have LePan, who is more familiar with the general background, added to the delegation. In view of the numerous uncertain elements in the whole reparation position, any Canadian representative would have largely a watching and learning brief. I think the discussions in Paris will, therefore, be a very useful introduction to the general transfer problem which will stand our Military Mission to Germany in good stead. Their presence in Paris for these discussions should not, in any way, delay the establishment of the Mission in Berlin.

I think it would be helpful to our delegation to know whether opinion in Ottawa is generally favourable to the suggestions put forward in LePan's letter of October 27th for reinsuring the priority of payments for imports by curtailing reparations claims to compensation for actual physical destruction of capital goods. Ends.

890. DEA/9442-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3205 London, November 3, 1945

SECRET. Following for Wrong from Robertson, Begins: My telegram No. 3168 of October 31st—reparations.

1. I have had a talk with McPherson about German assets held in Canada and about German patents. After further consideration I think that our policy at the Paris Conference should be along the following lines:

(a) Now that the Soviet claims have been met by a fixed percentage we should urge that the Yalta formula should be abandoned and that the claims of other countries for reparations from the Western Zones should be based solely

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[236] Adjoint-exécutif, le bureau du séquestre des biens ennemis.
Executive Assistant, Office of the Custodian of Enemy Property.

on the destruction of capital assets which they have suffered. The reasons for this proposal are contained in LePan's letter October 27th.

(b) If we do not succeed in persuading the conference to adopt this proposal, we should accept whatever percentage is assigned to us at Paris and reserve the right to demand reparation deliveries up to that percentage. We should not ask for any advance deliveries on reparations account of industrial plant and equipment.

(c) If a proposal is made that all German external assets should be pooled, we should not object provided that payment for approved and essential imports into Germany is made a first charge on these pooled assets. Otherwise we should retain the title to German assets held in Canada.

(d) If external assets are not pooled, we should use assets held in Canada in the first instance to guarantee payment for exports of foodstuffs to Germany. If any assets remain over and above what is needed for this purpose, they should be used to satisfy individual Canadian claims.

(e) If a proposal is made to throw all German patents held abroad into the public domain we should not object. Although some Canadian firms might stand to lose, the country as a whole would gain I think. Our general interest in this matter is a consumer interest. Such a step, in my opinion, would add considerably to the real wealth of Canada. McPherson feels, however, that there are strong arguments in the opposite sense and has set these out in a memorandum to Coleman.[237]

This telegram has been repeated to Paris. Ends.

891. DEA/9442-40

Mémorandum du ministère des Affaires extérieures au Cabinet

Memorandum from Department of External Affairs to Cabinet

Ottawa, November 6, 1945

CANADIAN PARTICIPATION IN THE REPARATION CONFERENCE TO BE HELD IN PARIS NOVEMBER 9TH, 1945

At its meeting of October 25th the Cabinet, after discussing the questions raised in the memorandum from the Department of External Affairs of October 24th to the Secretary to the Cabinet,[†] agreed as follows:

(1) that the government accept the invitation to participate in the conference on reparations; representatives and advisers to be selected by the Department of External Affairs in consultation with the Departments of Reconstruction and the Secretary of State;

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[237] Séquestre adjoint des biens ennemis. Le mémorandum n'a pas été trouvé.
Deputy Custodian of Enemy Property. The memorandum was not located.

(2) that the Canadian representatives be authorized to participate in the establishment of an inter-allied agency for making final reparations allocations in the western zones of Germany and in the determination of allocations; and

(3) that, pending inter-governmental agreement, the Canadian delegation reserve decision in respect of a reparations claim on behalf of Canada and in respect of German assets and holdings under the control of the Canadian Custodian.

Since these decisions were made, the Under-Secretary of State for External Affairs has had an opportunity of discussing in London with the representatives of other Governments, and in particular the United Kingdom authorities, the various questions which are likely to arise at the Paris Conference.

In the light of these discussions the Under-Secretary of State for External Affairs has recommended that the Canadian delegation should be given more precise instructions along the following lines:

1. That the Canadian delegation should urge that the Yalta reparations formula whereby reparations allocations are to be based both on the war effort of Allied countries as well as war damage inflicted on them should be abandoned, and that the claims of countries entitled to reparations from the western zones of Germany should be based solely on damage or loss sustained as a result of the war on land and sea. In this connection it may be recalled that the Soviet claim to reparations from the western zones of Germany has already been met by a fixed percentage of deliveries of industrial equipment, agreed to at the Potsdam Conference.

In support of this proposal it is argued that if the Yalta formula were followed the Canadian claim would be based almost entirely on the statistical indices of war effort, particularly the budgetary costs of the war. Under any formula it is almost certain that the percentage of reparations allotted to Canada would be small in comparison to the European countries devastated by the war. Public opinion here would be likely to regard the percentage of reparations as an index of the Canadian share in winning the war, and to be dissatisfied if relative war effort is used as a criterion. It would, therefore, be in the Canadian interest for the war effort indices to be omitted entirely in the working out of reparations percentages. It is recognized that this would reduce the possible Canadian share to very small figures, comprising mainly shipping losses. On the other hand, if war damage were the recognized basis for reparations, it would avoid the possibility of the kind of misunderstanding indicated above and also reduce mutual recrimination between countries claiming reparations from Germany.

2. If the proposal to base allocations solely on war damage is not accepted by the conference, it is suggested that Canada should accept whatever percentage is allotted to us at the Paris Conference and should reserve the right to demand reparations deliveries up to that percentage.

3. It is further suggested that the Canadian delegation should not put forward any particular claims for advance deliveries on reparations account of German industrial plant and equipment. The total amount available of

reparations deliveries in Germany is in any case small in comparison to the total claims already put forward by the Soviet Government or likely to be advanced by other countries who have suffered from German invasion and devastation.

4. As regards German external assets, the Under-Secretary of State for External Affairs recommends that if it is proposed at the Conference that all German external assets should be pooled, the Canadian delegation should not object, provided the principle is established that payment for approved and essential imports into Germany is made a charge on these external assets.

5. If the external assets of Germany are not pooled, the Canadian delegation should reserve the position of Canada in respect of any German assets and holdings under the control of the Canadian Custodian.

6. With regard to German patents, Mr. Robertson recommends that if a proposal is made to throw all German patents held abroad into public domain, the Canadian delegation should not raise objection at this stage. It is understood, however, that Mr. G. W. McPherson of the Custodian's Office, who will attend this Conference, is making a report to the Deputy Custodian on this matter and the Canadian delegation should be instructed to reserve the Canadian position at this stage pending further instructions.

7. Under any formula at all likely to be adopted, it is improbable that Canada would receive more than a negligible quantity of reparations from Germany. Therefore it is desirable that the Canadian representatives should support a position that can be easily explained and defended in Canada. The basing of reparations on war damage and losses is a simple and understandable formula, the equity of which it is hard to challenge. In addition to this, we should be concerned to ensure, first, that current deliveries from German production may be used in payment of essential imports and therefore that the exportable capacity of Germany is not taken up fully on reparations account, and, secondly, that bona fide Canadian private claims for war losses inflicted by Germany can be met out of German assets.

8. It is recommended that approval be given to the proposals set forth in paragraphs 1, 2, 3, 4, 5 and 6 of this memorandum, and that instructions in this sense be despatched to the Canadian delegation.

9. The Conference will open in Paris on November 9th and in accordance with the previous decision of the Cabinet, the following delegation has been appointed in consultation with the Prime Minister:

Lieutenant-General M. Pope, Chairman;
Major-General D. E. Dewar, Department of Reconstruction;
G. W. McPherson, Custodian's Office;
S. F. Rae, Canadian Embassy, Paris, and
D. LePan, Canada House, London.

892. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET Ottawa, November 7, 1945

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REPARATIONS CONFERENCE; CANADIAN POLICY

13. THE SECRETARY, referring to the discussion at the meeting of October 25th, reported that the Department of External Affairs had recommended that more precise instructions be given to the Canadian delegation participating in the Paris conference.

Since the problem had last been discussed by the Cabinet, the Under-Secretary of State for External Affairs had discussed the position in London with representatives of other governments. He reported that whatever the formula adopted for allocation of reparations, it was improbable that Canada would receive anything substantial. Canada's interests required principally that sufficient German export capacity be maintained to pay for essential imports and that German assets be available to take care of genuine Canadian private claims for war losses.

Accordingly, it was recommended that the Canadian delegation urge the abandonment of the Yalta formula for reparations and the substitution of a policy of claims based solely on damage or loss sustained as a result of the war. This would omit any consideration of relative war efforts in assessing reparations claims.

It was also recommended that the Canadian delegation should not put forward particular claims for advance deliveries on reparations account and that they be prepared to accept the pooling of all external German assets and the placing of all German patents held abroad in the public domain.

An explanatory memorandum had been circulated.

(External Affairs memorandum, Nov. 6, 1945—Cabinet Document 103).

14. THE CABINET, after considerable discussion, agreed:

(a) that the recommendations submitted by the Department of External Affairs for further instructions to the Canadian delegation be not approved, for the present;

(b) that, in general, the Canadian delegation be guided by two principal considerations: on the one hand, the necessity of destroying the war potential of Germany, and on the other, the need for the early re-establishment in Germany of such economic conditions as would facilitate European recovery and, in

particular, the importance of permitting adequate German capacity to permit payment of essential imports as soon as possible;

(c) that the Canadian delegation be instructed to report the course of discussions at the Conference and submit recommendations for consideration by the government; and,

(d) that, pending further consideration in the light of reports from the delegation, the delegates be guided by the decisions taken by the Cabinet at the meeting of October 25th, reserving the Canadian position with respect to—the filing of a reparations claim, the disposition of German assets under the control of the Canadian custodian and advance deliveries of German industrial equipment, and making no commitment, for the present, upon proposals for pooling all German external assets or patents held abroad.

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893. DEA/9442-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur en France

Acting Secretary of State for External Affairs to Ambassador in France

TELEGRAM 543 Ottawa, November 7, 1945

IMMEDIATE. SECRET. Addressed Paris No. 543. Repeated London No. 2631.

Following are preliminary instructions for the guidance of the Canadian representatives at the Reparations Conference. They should note that the policy suggested in the Under-Secretary's telegram from London No. 3205 of November 3rd, which was repeated to Paris has not repeat not been approved by the Government. It is felt here that inadequate information is available on this whole complicated problem and on the attitude of other delegations to permit the Government to adopt at present a course which would be almost equivalent to the renunciation of a claim for reparations by Canada.

2. The general consideration which the delegation should bear in mind is that reparations cannot be considered in isolation from the strategic economic and political aspects of European settlement. In the interests of enduring peace we would hope for a compromise between demands for the total destruction of German war potential through removal of German capital assets and the need for the earliest possible re-establishment of economic viability in Germany to facilitate European recovery.

3. As this is a preliminary Conference to prepare the way for an inter-governmental agreement on allocation reparation receipts as between Governments from the western zones of Germany, delegation should, pending inter-governmental agreements reserve position as to whether or not Canada will make a reparations claim.

4. The delegation should participate in the establishment of an Inter-Allied Reparations Agency on the basis of the memorandum circulated by the three Governments with their respective invitations to the Conference.[218]

5. As regards German external assets, the delegation should reserve the position of Canada in respect of any German assets and holdings under the control of the Canadian Custodian and should report promptly on the course of discussions in support of policy of pooling or otherwise of German external assets. Private claims filed with the Custodian will need to be borne in mind in this connection. McPherson as Custodian representative will have information regarding this category of claim and its composition.

6. With regard to advance deliveries of German capital industrial equipment Reconstruction representative will have lists of equipment available for deliveries from Germany based on reports of investigators co-ordinated through C.A.T.C., London, and also information regarding possible Canadian industrial needs for immediate reconstruction period. Delegation should report promptly as to prospects of obtaining desired items before putting in request for any particular items. It is understood, of course, that if it is decided to forego advance deliveries Canadian position will not be prejudiced when the time comes for allocating capital industrial equipment available for reparations in accordance with paragraph 6 of the Potsdam Reparations agreement.

7. Payment of Canadian exports to Germany. Since the termination of military relief any relief supplies going from Canada to Germany are to be paid for by the occupying power in command of the zone concerned. Some Canadian wheat is to be exported by arrangement with the United Kingdom Government, the United Kingdom being responsible for payment. We should support the principle that German exports should be used in the first place to pay for essential and approved imports before reparations are made from current production. This was accepted at the Potsdam Conference and recorded in the Protocol. Any attempt to restrict its application should be firmly resisted.

8. Canadian property in Germany. This includes commercial, industrial and private interests. As no access to records has been possible pending establishment of Canadian Mission in Berlin, no information is available regarding claims to compensation that may have to be met. Canadian industrial properties in Germany should be treated in accordance with agreed Allied reparations policy, namely, should any plants require to be dismantled or destroyed, under industrial disarmament, no exception should be sought. On the other hand, if industrial plants owned by Canadian nationals in Germany are declared surplus to German peacetime economy, Canada should have first option on plants. Position of Canadian property in eastern as well as western zones should be clarified if possible.

9. The instructions in this telegram will be supplemented as further information becomes available from the Conference. In general you will

[218]Voir l'annexe à la pièce-jointe, document 885.
See sub-enclosure, Document 885.

appreciate that in view of the numerous uncertain elements in the whole reparations position and the comparatively stronger claims of devastated European countries, Canadian representative, apart from points dealt with by specific instructions above, will have watching and learning brief. The delegation should report the course of discussion and should feel free to submit recommendations for further instructions.

894. DEA/9440-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur aux États-Unis

Acting Secretary of State for External Affairs to Ambassador in United States

DESPATCH 1295 Ottawa, November 8, 1945

SECRET

Sir,

I have the honour to refer to your teletype WA-5690 of the 8th November,† in relation to the Reparations Conference in Paris on November 9th. In this connection I enclose six copies of the Canadian Government memorandum relating to the statistical data requested by the United States, United Kingdom and France. The material contained in this memorandum is a revised version of the data[219] contained in our EX-3474 of September 29th† including information under the heading of Annex B. Please transmit the requisite number of copies to the State Department.

I also enclose, for your own information, a copy of the preliminary instructions for the guidance of the Canadian representatives at the Reparations Conference, which were telegraphed to the Canadian Embassy, Paris, yesterday.

I have etc.

J. E. READ

[219] Voir le document 883.
See Document 883.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du gouvernement du Canada

Memorandum by Government of Canada

Ottawa, October 24, 1945

MEMORANDUM ON THE DATA RELATING TO THE REPARATIONS CLAIM OF THE CANADIAN GOVERNMENT AGAINST GERMANY

In a "Memorandum to Various United Nations"[240] with regard to the Allied Commission on Reparations, the Government of Canada was invited by the Governments of the United States of America and Great Britain and the Provisional Government of France to supply data relating to the reparations claim of Canada against Germany, and to state the value of pre-war German assets situated in its territory.

2. In compliance with this request, the summary of statistical data set forth below was prepared and transmitted on October 1st, 1945,[241] to the diplomatic representatives of the United Kingdom and of the United States of America in Ottawa. The Canadian diplomatic representatives in Washington, London and Paris were also furnished with this information and requested to communicate it to the Governments to which they are accredited.

3. It is understood that this information was requested for the purpose of working out approximate percentage allocations to various countries entitled to reparations from Germany under the terms of the Protocol on German reparations signed by the Heads of Governments of the United Kingdom, United States and the U.S.S.R. at Berlin on August 1st, 1945.

4. It is further understood that a Conference of officials has now been arranged to take place in Paris on November 9th, 1945, for the conclusion of a general agreement on reparations among those countries whose claims to reparations are to be met on the basis proposed in paragraph 3 of the Protocol which reads as follows: "The reparations claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the western zones and from appropriate German external assets."

5. Pending the conclusion of an inter-Governmental agreement on the allocation of reparation receipts as between these Governments, the Canadian Government reserves its position with regard to making a claim on reparations from Germany, including a share of German industrial equipment. The Government of Canada likewise reserves its right to all German assets and holdings under the control of the Canadian custodian, of any kind whatsoever, for the satisfaction of Canadian claims.

6. The figures given are to be regarded as preliminary and subject to later revision as further information becomes available. The figures are presented in

[240] Voir la pièce jointe, document 875.
See enclosure, Document 875.

[241] Voir le document 883.
See Document 883.

the form set forth in Annexes A and B in the memorandum from the Allied Commission on Reparations.

ANNEX A

I. No estimate is available at the present time of Canadian properties destroyed or damaged in the course of hostilities against Germany nor has an estimate been made of serious wastage incidental to the rapid exploitation of the natural resources of Canada for the purposes of war production on behalf of Canada and her Allies.

Claims filed with the Canadian Custodian, which approximately cover categories 1, 8, 9 and 10 (i.e., industry and commerce, household articles and personal effects, gold, silver coins and bars, etc., houses and buildings not otherwise included) amount in aggregate to about $81,000,000.

Ocean Shipping and Coastwise Shipping—$62,000,000.

There are no data available relating to 3, 5, 6, 7 and 11.

II. Budgetary expenditures allocatable to the war against Germany—$15,500,000,000.

III. (1) Man-years allocatable to the war effort against Germany - 7,750,000.

(2) Man-years lost to the national economy by the deportation of labour to Germany and forced labour at the order of Germany on national territory—no data.

(3) Loss of life or health and injuries sustained by civil and military victims of the war and occupation

Casualties reported for the three Canadian armed services from September 3rd, 1939, are as follows:

Killed or died—40,000
Wounded —54,000
Merchant seamen—died or presumed dead—1,060

IV. Costs of German occupation—no data.

V. All other claims of a governmental or private nature against Germany arising out of or during the war with Germany—no data.

VI. Any other statistical data which the claimant Government desires to put forward for consideration—no data.

ANNEX B

I. The Canadian Government has had no access to records in Germany or in countries through which assets may be held in Canada for undisclosed interests in Germany, and, until arrangements are made whereby Canada has access to such records, it is impossible for the Canadian Government to give any exact information in reply to the questions asked in this Annex.

Information available to the Canadian Government indicates that there are German interests in the share capital, royalty agreements, cartel agreements or cash and securities deposited, in the following:

(a) Industrial banks none

(b) Insurance companies	none
(c) Holding companies	5
(d) Merchandising Establishments	17
(e) Transport and Travel companies	2

This should not be taken as a complete list but only as an indication of a few of the companies in which the Canadian Government is interested, and no final figures as to the value of the German interests involved is available at the present time.

II. The following is a summary of the value of known German assets with approximate figures only—

A. Bank Balances	
Deposits in Canadian banks—	$ 430,000
Cash in depot accounts—	116,000
B. Securities, accounts, safe deposits held in name of or on behalf of Germans—	
Securities at market value—	1,000,000
Securities held by holding companies—	1,600,000
Revenue on securities—	173,000
C. Gold on deposit, other types of holdings	
Commercial accounts and proceeds of liquidations—	1,500,000
Interests in estates—	1,000,000
Royalties on patent agreements—	275,000
Real estate—	80,000
Revenue on real estate—	60,000
Copyright royalties—	3,000
Industrial property including patents, trade marks and copyrights—no valuation available	
	$6,237,000

895. DEA/9442-40

Mémorandum du ministère des Affaires extérieures

Memorandum from Department of External Affairs

Ottawa, December 19, 1945

MEMORANDUM ON REPARATIONS CONFERENCE IN PARIS: CANADIAN PARTICIPATION

The Government of Canada was invited to be represented at a Conference in Paris on November 9th, 1945, for the conclusion of a general agreement on reparations among those countries whose claim to reparations is to be met from the western zones of Germany and from German external assets.

At its meeting of the 25th October the Cabinet agreed (a) that the government should accept the invitation to participate in the Conference on reparations; (b) that the Canadian representatives be authorized to participate in the establishment of an Inter-Allied Agency for making final reparations allocations in the western zones of Germany and in determination of

allocations; and (c) that pending inter-governmental agreement the Canadian delegation should reserve decision in respect of a reparations claim on behalf of Canada and in respect of any enemy assets in Germany under the control of the Canadian Custodian.

The question of further instructions to the Canadian delegation to the Reparations Conference was considered at a meeting of the Cabinet on November 7th, when certain aspects of general Canadian policy in relation to reparations were discussed. The Cabinet felt that the Canadian delegation should be guided by two principal considerations; on the one hand, the necessity of destroying the war potential of Germany, and, on the other, the need for the early re-establishment in Germany of such economic conditions as would facilitate European recovery. They should also bear in mind the importance of leaving adequate German capacity to permit of payment of essential imports as soon as possible. Pending further consideration of the question in the light of reports from the Conference the delegates were to reserve the Canadian position, both as regards the filing of a general reparations claim, and, any claim for general deliveries of German industrial equipment. They were to make no commitment regarding the disposal of German assets under the control of the Canadian Custodian. Instructions along these lines were cabled to General Pope in Paris.[242]

As the Conference progressed in its discussion it became clear that the delegation would have to define its position as to whether or not Canada would put in a claim for a percentage of reparations. The Canadian delegation also asked to be guided as to the magnitude of the percentage which they should try to secure for allocation to Canada. This question was referred by letter† to Mr. Howe on November 14th and also to Mr. Martin,[243] Mr. Ilsley and Mr. St. Laurent. With the concurrence of Mr. Howe, instructions† were sent to General Pope to the effect that the delegation should endeavour to secure the allocation to Canada of a percentage equivalent to that assigned to countries in similar circumstances as regards war damage and war losses (e.g., the United States and countries of the Commonwealth other than the United Kingdom), it being understood that the Canadian Government would remain free to decide how much or how little they wished to claim of the percentage so allocated.

General Pope subsequently reported that the United States delegation had received instructions to waive a portion of its claim to German industrial equipment and to seek a compensatory increase in the allocation of German external assets. He also reported that South Africa was waiving its claim to German capital industrial equipment entirely. General Pope requested guidance on the attitude he should adopt.

General Pope was told that he should follow the general attitude adopted by countries in a similar position as regards war damage and war losses, and in particular the United States. In the allocation of plant and equipment located

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[242]Voir le document 893.
See Document 893.
[243]Secrétaire d'État.
Secretary of State.

in Germany it was felt that we should also weigh the urgent needs of reconstruction of European countries against the relatively minor requirements of Canadian industry. Similar considerations led South Africa to waive its claim to German industrial plant and equipment entirely. In this connection it should be noted that the first list of German industrial equipment designated by the Allied Control Council as available for reparations from Germany, yielded, after close scrutiny by the Department of Reconstruction, no items of interest to Canada for the reason that most of these items corresponded to plant and equipment built up in Canada during the war years. Accordingly, as reported in a memorandum from the Under-Secretary of State to the Prime Minister of December 11th,† General Pope was instructed to waive a portion of the Canadian share to the same extent as may be done by the United States, and to endeavour to secure for Canada a compensatory increase in our share of German external assets.

Discussions at the Conference progressed more favourably from the Canadian point of view than was anticipated. A measure of war effort as well as war damage and losses was accepted as a basis for allocation of percentage reparations. Under the provisional scale of percentage allocations, Canada is to be offered a share larger than that allocated to Belgium or Czechoslovakia, and only slightly less than The Netherlands. Moreover, the Conference recognized that no country would be called upon to relinquish the external assets it controls.

The work of the Conference is to be embodied in a Final Act setting up a further series of recommendations to the respective Governments represented at the Conference.[244] These recommendations will include two scales of percentages which are annexed. One will comprise German capital plant and equipment and ships (designated in the attached table as Category B). The other will include external assets within the jurisdiction of the United Nations and of neutral countries, any recurrent deliveries from Germany that may be required by the Allies and any reciprocal deliveries of primary products from the Russian zones of occupation which may be made in exchange for the capital equipment which is to go to the Soviet Union under the Potsdam Agreement.

The basic Canadian allocation under both columns was fixed at 3½ per cent. The United States decided to accept a reduction from 28 per cent to 12 per cent in respect of German plant and equipment and ships, making the extra percentage points available to other countries. The Canadian allocation is marked in the attached table as 4.7. In accordance with his instructions, General Pope has indicated his intention of waiving both the extra allocation derived from the United States waiver, and a portion of the Canadian share in this category to the same extent as the United States, bringing the Canadian percentage under Category B to 1.5.

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[244] Voir Canada, *Recueil des traités*, 1945, N° 23.
See Canada, *Treaty Series*, 1945, No. 23.

The United States delegation did not seek a compensatory increase in its share of reparations under Category A (external assets, etc.), and consequently the Canadian delegation did not press for any compensation either.

Apart from the percentage share of reparations worked out at the Conference, the Final Act of the Conference will include a set of recommendations. The most important of these will be the draft agreement for the setting up of an Inter-Allied Reparations Agency. The other recommendations apparently deal with the working out in detail of the principles which are to govern the allocation of the various categories of reparations, as well as with the question of restitution and other adjunct matters.

As regards the nature of the document which the Canadian delegate is to be asked to sign on behalf of Canada in Paris this week, General Pope has reported that the inviting Powers look upon the Final Act as representing the delegates' recommendations to their respective Governments, which, in due course, it is hoped, will authorize a representative on their behalf to sign a convention or some form of operative instrument.

In the light of the foregoing it is recommended:

(1) that authority be given to General Pope to sign the proposed Final Act of the Paris Conference on Reparations;

(2) that on the receipt of the recommendations of the Conference embodied in the Final Act and the report of the Canadian delegation to the Reparations Conference, these recommendations be considered by the Inter-Departmental Committee on reparations with a view to making further recommendations on the matter to the cabinet.[245]

[PIÈCE JOINTE/ENCLOSURE]

TABLE OF REPARATION PERCENTAGES PROPOSED AT THE PARIS CONFERENCE ON REPARATIONS

Country	*Category A*	*Category B*
Albania	0.05	0.1
United States	28	12
Australia	0.7	0.9
Belgium	2.7	3.7
Canada	3.5	4.7
Denmark	0.25	0.3
Egypt	0.1	
France	16	22
United Kingdom	28	28
Greece	2.7	3.7
India	2.0	2.7
Luxembourg	0.15	0.2
Norway	1.3	1.8
New Zealand	0.4	0.5
Netherlands	3.9	5.3

[245] Les recommandations furent approuvées par le Cabinet le jour même.
The recommendations were approved by the Cabinet the same day.

Czechoslovakia	3.0	4.1
South Africa	0.7	0.9
Yugoslavia	6.6	9.0
Total	100	100

N.B. Adjustment has been made in the case of the United States for the waiving of a portion of its claim to capital industrial equipment. No adjustment has been made in the case of Canada or South Africa under this column.

PARTIE 8/PART 8

CONFÉRENCE DES MINISTRES AUX AFFAIRES ÉTRANGÈRES, MOSCOU, 16-26 DÉCEMBRE 1945: PRÉPARATION DES TRAITÉS DE PAIX
CONFERENCE OF FOREIGN MINISTERS, MOSCOW, DECEMBER 16-26, 1945: PREPARATION OF PEACE TREATIES

896. DEA/7-DEs-1

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affaires

TELEGRAM CIRCULAR D. 2267 London, December 20, 1945

MOST IMMEDIATE. TOP SECRET. My telegram of December 19th, Circular D. 2258.† Preparation of peace treaties was further discussed at Moscow on December 18th. M. Molotov maintained position he had taken up in London. Upshot was that United States Secretary of State agreed to concede Soviet formula for stage 1 (preliminary drafting of peace treaties) and for stage 3 (final drafting) provided that Soviet Government would agree to accept United States, United Kingdom view on stage 2 (expression of views by other United Nations) in shape of a Conference composed of all five members of Council of Foreign Ministers and all States who had contributed substantial military forces and had actively waged war against any European member of Axis at which all could express their views. Mr. Byrnes circulated following list of these States, Begins:

United States of America, U.S.S.R., United Kingdom, France, China, Australia, Belgium, Brazil, Canada, Czechoslovakia, Ethiopia, Greece, India, Netherlands, New Zealand, Norway, Poland, South Africa, Yugoslavia, White Russia, Ukraine. Ends.

M. Molotov, while accepting concession on stages 1 and 3 as a return to Potsdam decisions would not agree to more on stage 2 than to consider what States should be allowed to express views in each case. He promised to circulate a Soviet list.

2. As regards States who should sign peace treaties, M. Molotov said that he saw no need for smaller Powers to sign treaties at all. Dominions would not need to sign separately as United Kingdom could sign for them. Mr. Byrnes

and Mr. Bevin maintained that every State which had declared war had a right to sign relevant treaties if it wished and Mr. Bevin made it clear that Dominions and India who had signed Versailles Treaty and had made very substantial contributions to common victory would certainly expect to be able to sign separately.

3. In reporting the above, Foreign Secretary summarizes United States position as follows:

Stage 1. The Deputies working on four: three: two formula in strict accordance with paragraph 3 (2) of terms of reference of Council of Foreign Ministers.[246]

Stage 2. Council of all five Foreign Ministers to call a Peace Conference composed of States listed as in first paragraph of this telegram.

Stage 3. Conference to consider and express views upon drafts prepared by Deputies.

Stage 4. Final drafts for treaties to be prepared and approved by "signatories" to armistices as defined in Council's terms of reference on four: three: two formula.

Stage 5. Signature of final treaty texts by all, repeat all, those United Nations who were in a formal state of war with a particular enemy country.

4. At a subsequent informal meeting, M. Molotov observed to Mr. Bevin and Mr. Byrnes that list as in paragraph 1 above ought to be shortened and that in particular India should be removed. India was not an independent country, had no Foreign Office and was not in relations with Soviet Union.

5. Mr. Bevin replied that Indian troops had fought in great numbers in many theatres of war, India was a member of the United Nations and had been a foundation member of League of Nations.

6. M. Molotov rejoined that if India were included he would have to claim inclusion of Estonia, Latvia and Lithuania who had also fought in war and had also been members of League of Nations.

7. Mr. Byrnes said that he understood that India was only country to whom Molotov took exception and pressed for acceptance of United States list with single deletion of India. Mr. Bevin insisted that India should be retained. Mr.

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[246] Voir États-Unis, *Foreign Relations of the United States. The Conference of Berlin (The Potsdam Conference)*. 1945, volume II, Washington, U.S. Government Printing Office, 1960, p. 1479. D'après la formule 4:3:2, les traités de paix seraient rédigés par les ministres des affaires étrangères de la France, de la Grande-Bretagne, de l'Union soviétique et des États-Unis dans le cas de l'Italie, par les ministres de la Grande-Bretagne, l'Union soviétique et les États-Unis pour ceux avec la Bulgarie, la Hongrie et la Roumanie et par ceux de la Grande-Bretagne et de l'Union soviétique pour celui avec la Finlande.
See United States, *Foreign Relations of the United States. The Conference of Berlin (The Potsdam Conference)*. 1945, Volume II, Washington, U.S. Government Printing Office, 1960, p. 1479. According to the 4:3:2 formula, the peace treaties would be drafted by the foreign ministers of France, Great Britain, the Soviet Union and the United States in the case of Italy, by the ministers of Great Britain, the Soviet Union and the United States for those with Bulgaria, Hungary and Romania and by those of Great Britain and the Soviet Union for the treaty with Finland.

Byrnes subsequently informed Mr. Bevin privately that United States Government could not accept addition of the three Baltic Republics to their list.

8. Mr. Bevin comments to us that admission of the three Baltic Republics to Peace Conference might entail their recognition and perhaps their admission in due course to United Nations Organization. But he feels that if recognition of their new status within Soviet Union is inevitable sooner or later, it might be preferable to recognize them as separate States, however fictitious, rather than to recognize merely their absorption into Soviet Union.

9. Cabinet today considered situation. We think it essential that having regard to India's membership of League of Nations and United Nations and outstanding part she has played in all theatres of war, she should not, repeat not, be excluded from proposed Conference. Foreign Secretary is accordingly being informed that, if it should be necessary in order to secure inclusion of India, we should be disposed not to object to inclusion of Estonia, Latvia and Lithuania; that if he desires to make this concession in order to secure inclusion of India we should wish first to consult Dominion Governments and that we are communicating with you accordingly.

10. Should be glad of earliest possible expression of your views on this issue as to Baltic Republics. Please reply by Most Immediate telegram.

11. On question of procedure set out in paragraph 3 above we feel that United States stage 4 cannot, repeat cannot, be accepted.

897. DEA/7-DEs-1

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 270 Ottawa, December 21, 1945

MOST IMMEDIATE. TOP SECRET Addressed London No. 270. Repeated Canberra No. 21, Wellington No. 22, Pretoria No. 16.

Your telegram D.2267 of December 20th. Preparation of Peace Treaties.

1. We note with pleasure that Mr. Byrnes joined Mr. Bevin in repudiating the suggestion made by Mr. Molotov that the United Kingdom might sign the peace treaties on behalf of the countries of the Commonwealth.

2. We appreciate the extreme difficulty of the dilemma in which Mr. Bevin has been placed by the unreasonable demands put forward by Mr. Molotov and by the readiness of Mr. Byrnes to agree to the omission of India from the states participating in the peace conference as the price for dropping the new Soviet demand for the inclusion of the Baltic states. The immediate issue raised in your telegram is whether the omission of India or the addition of the Baltic states is the preferable alternative.

3. We note that Mr. Byrnes has stated privately that the United States Government could not accept the addition of the Baltic states, whereas the United Kingdom Cabinet have indicated their readiness to agree to their

inclusion in order to ensure the inclusion of India. We feel that, while the range of consequences of admitting the Baltic states to this conference is unpredictable, it would be followed almost certainly by a demand for their admission to the United Nations Organization which would be difficult to refuse. If the fictitious independent status of five Soviet republics were recognized by admission to the United Nations it would be more difficult to resist later on the admission of the entire sixteen republics.

4. We should deeply regret the omission of India from the conference and it is obvious that the Indian Government possesses a far higher degree of autonomy than any Soviet republic. We realize the great importance of doing nothing at this time which would be regarded as diminishing India's standing, and we feel that no solution can be found within these narrow alternatives. Any such solution could be readily exploited as a diplomatic victory by the Soviet Government.

5. When the Council of Foreign Ministers was established at Potsdam, we attached importance to the inclusion of the words "with a view to their submission to the United Nations" in paragraph 3(i) of the agreement.[247] While the current discussions appear to relate to the conference procedure envisaged in paragraph 4(ii), it is surely relevant that India is one of the United Nations and the Baltic Republics are not. We should hope that the issues would be broadened, so that the matter would be settled outside the scope of the dilemma devised by the Soviet Government.

6. We fully agree with your view that stage 4 of the United States proposals, as reported in paragraph 3 of your telegram, cannot be accepted. Indeed, the adoption of such a plan might make it necessary for us to consider the negotiation of separate treaties of peace with these enemy states. In practice at a general conference it is probable that the actual drafting of peace terms would be done by the principal powers concerned. Clearly, however, no Government can agree in advance to sign a treaty with the negotiation of which it has not been at least formally associated.

7. It was in no one's mind when the various armistices were concluded that the signatories of these instruments would be given a formal position of preference at the peace conference merely because of the fact of signature. You will recall that the Canadian Government was at pains to reserve its position at that time.[248] We regarded the armistices as military instruments imposed on enemy states by the Commanders of the Allied forces, and we think it can be argued that there were no "states signatory to the terms of surrender" referred to in the Potsdam Agreement.

8. It is certainly desirable to make a real distinction between the Allied countries which made a substantial contribution to victory and the late comers and technical belligerents among the United Nations. We do not agree,

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[247] Voir États-Unis, *Department of State Bulletin*, vol. 13, 5 août 1945, pp. 153-61.
See United States, *Department of State Bulletin*, Vol. 13, August 5, 1945, pp. 153-61.

[248] Voir les documents 663, 769 et 793.
See Documents 663, 769 and 793.

however, with the thesis of the Soviet proposals that the participation of the active belligerents in any peace conference should depend on whether their forces had been engaged against the forces of the enemy country in question. While we have no important direct interest in the terms of peace with the Balkan satellites and Finland (in fact Canada never declared war on Bulgaria) we consider that there is nothing in the Potsdam Agreement which warrants the narrow interpretation placed upon it by Mr. Molotov.

898. DEA/7-DEs-1

L'ambassadeur aux États-Unis au sous-secrétaire d'État aux Affaires extérieures

Ambassador in United States to Under-Secretary of State for External Affairs

Washington, December 28, 1945

Dear Norman [Robertson],

D.O. Circular 2267 of December 20th on the discussions at Moscow regarding procedure for the drawing up of peace treaties includes one point which is, I think, of a somewhat disturbing significance. Paragraph 2 reports Molotov as stating that the Dominions would not need to sign separately the peace treaties as the United Kingdom could sign for them. Mr. Byrnes and Mr. Bevin replied to this reactionary and out of date suggestion by stating that, as the Dominions (and India) had made such as substantial contribution to the common victory, they had a right to sign the treaties and would expect to be able to do so. Apparently neither took up Molotov's point that the United Kingdom had the power to sign for them. It is too bad that Mr. Bevin did not go further than he did and point out to Molotov that, not only did the Dominions have the right to sign the peace treaties, neither the United Kingdom nor any other country could sign for them if they were not given the opportunity of exercising that right. The telegram may, of course, give a somewhat inadequate statement of what took place, but it would be unfortunate if Molotov still thought that the U.K. had the power to sign a peace treaty on behalf of Canada.

The difficulty of India will recur again. The Russians are clever enough to see that India's position is a card which they can continually play in order to extract concessions for themselves. In this connection Sir Girja Bajpai[249] told me yesterday that after many months of hammering, on the part of himself and his Government, the United Kingdom had finally agreed to the elevation of his status in Washington by withdrawing him from the British Embassy list and making him head of an Indian Embassy or Legation. When, however, the United Kingdom approached the State Department with this proposal, Byrnes objected and the matter remains in abeyance. I am surprised at this as I would

[249] Agent-général pour l'Inde aux États-Unis.
General Agent for India in United States.

have thought that in more ways than one a changed Indian status in Washington would be welcome to the Americans.

Yours sincerely,

L. B. PEARSON

Chapitre IV/Chapter IV

PRISONNIERS DE GUERRE, CIVILS INTERNÉS, RAPATRIÉS ET RÉFUGIÉS
PRISONERS OF WAR, INTERNED CIVILIANS, REPATRIATES AND REFUGEES

Partie 1/Part 1

LOGEMENT DES PRISONNIERS DE GUERRE
ACCOMMODATION OF PRISONERS OF WAR

899. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

Secret Ottawa, September 23, 1944

...

ACCEPTANCE IN CANADA OF FURTHER PRISONERS OF WAR

8. The Secretary submitted an External Affairs report, copies of which had been circulated.

The large number of prisoners of war captured recently had again raised the problem of accommodation. The First Canadian Army had already taken some 25,000 in Northwestern Europe. While as many as possible were being accommodated in France, it was still necessary to move considerable numbers overseas.

The ceiling for acceptance in Canada, established in July, 1943, had recently been raised by 1,200, in order to accommodate more German prisoners. Allocation of space for 2,600 Italians under the ceiling had not been taken up.

While it would not be desirable to embark upon a new construction programme, available accommodation could care for another 3,000 to 4,000. Moreover, segregation of prisoners into categories would allow a further increase in the number of prisoners of war who could be guarded by present establishments.

It was suggested that the government might agree to accept prisoners of war up to the limit of present accommodation and that it be suggested to the U.K. government that France be asked to share the responsibility in Western

Europe. French authorities, at this stage, should be able to use large numbers of prisoners in reconstruction tasks.

(External Affairs memorandum, undated—C.W.C. document 855).†

9. THE WAR COMMITTEE, after discussion, approved the recommendation contained in the report submitted.

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900. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, December 11, 1944

...

RECEPTION OF ADDITIONAL PRISONERS OF WAR

26. THE MINISTER OF NATIONAL DEFENCE reported that a request had been received from the U.K. government that 50,000 additional prisoners of war be accommodated in Canada.

At present, there were some 35,000 enemy prisoners of war in Canada, and an additional 7,000 could be accommodated in existing camps without augmenting the number of guards or camp staffs. This accommodation was available because an equivalent number of prisoners of war were engaged in labour projects.

A further 15,000 could be accepted next March if Army camps were converted and some 3,000 additional guards were made available. Reception of more than 7,000 could not be recommended because of the additional strain on the already tight manpower situation and because of the potential risk involved.

(Letter, U.K. Deputy High Commissioner to External Affairs, Nov. 17, 1944;† also memorandum, Adjutant-General to the Minister, Dec. 7, 1944).†

27. THE WAR COMMITTEE, after discussion, agreed that no additional prisoners of war could be accepted in Canada and that the U.K. government be so informed.

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901. DEA/621-K-40

Le sous-secrétaire d'État aux Affaires extérieures au sous-ministre de la Défense nationale (armée)

Under-Secretary of State for External Affairs to Deputy Minister of National Defence (Army)

CONFIDENTIAL Ottawa, January 16, 1945

Dear Mr. Ross,

On Saturday the High Commissioner for the United Kingdom in Canada called on the Prime Minister and re-opened the question of the acceptance of further German prisoners of war by Canada for custody. He left with the Prime Minister a memorandum, copy of which is attached for your information.

I understand that the Prime Minister has referred the matter to the Minister of National Defence, and that the High Commissioner is to see the Minister within the next few days.

Yours sincerely,

N. A. ROBERTSON

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du haut commissaire de Grande-Bretagne

Memorandum by High Commissioner of Great Britain

SECRET [n.d.]

GERMAN PRISONERS OF WAR

We quite understand the difficulties which prevented the Canadian Government from agreeing at once to our request that they should accept 50,000 more German prisoners. But I think they cannot be quite aware of the critical nature of the problem with which we are now faced. Whereas in the whole of Canada they are at present accommodating only 34,000 German prisoners (as compared with 66,000 captured by Canadian troops in North Western Europe alone apart from those captured in Italy), we in this small overcrowded island, where much accommodation for our own people has been destroyed by enemy action, are now holding 306,000 prisoners of war of whom 139,000 are Germans and no less than 22,000 British troops are required for their administration and security. 24,000 German prisoners of war are still under canvas and all prisoners have been overcrowded to 50 per cent above austerity scales. This overcrowding and use of tentage is open to serious objection not only on medical grounds but also because, being contrary to the Geneva convention, it may lead to reprisals on all Commonwealth prisoners of war in Germany. But to ease this overcrowding would cause an additional strain on British manpower.

For operational reasons, the Commander-in-Chief 21 Army Group is most anxious to be relieved of 30,000 prisoners of war but these cannot be accepted in the United Kingdom except under canvas (which is contrary to the Geneva convention in winter) and in any event their presence here would require an additional 3,000 British troops who could be found only with great difficulty and at the expense of other urgent commitments.

It is estimated that before the surrender of Germany or the break-up of organised resistance at least another 300,000 prisoners of war will be captured in North West Europe for half of which the United Kingdom Government will be responsible.

Negotiations are in progress with the French, Belgian and Dutch Governments to accommodate and guard some of these captures, but it is likely to be some time before the French are able to accept large numbers either in Metropolitan France or in North West Africa and the need for accommodation is immediate owing to the operational situation. The Belgians and Dutch have local unemployment problems and are unlikely to be able to assist.

We have appealed to the United States Government to give further assistance in this matter but they have refused and have given as their main ground that insufficient use is being made of British Commonwealth resources in general and Canadian resources in particular. It is clear that this fact has had considerable influence on them in reaching their decision. On the other hand if Canada were to decide to take the 50,000 prisoners which we have asked her to take it would make our task very much easier in reopening the question with the United States.

It will be seen from the figures which I have given that the request which we have made of Canada is actuated only by the urgent needs of a situation for which there appears no other solution. We are stretched to the utmost and we greatly hope that they will therefore see their way to come to our assistance.

902. DEA/621-K-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 166 London, January 18, 1945

SECRET. Acceptance of further prisoners of war.

Canada's decision not to accept further prisoners of war has proved a great disappointment to the United Kingdom and has lead to a fresh approach to me from Lord Cranborne and to General Montague from the Adjutant General. While scrupulously moderate in their comments, United Kingdom authorities clearly find it difficult to believe that the manpower situation in Canada is more serious than in Britain. They point out that the retention of prisoners here not only increases the strain on shipping but necessitates the employment of thousands of men who might be used in military or productive tasks. The

danger of escapes to enemy or neutral countries in also greater, especially from Northern Ireland to where many prisoners have had to be sent. United Kingdom is holding more prisoners than she has taken, while Canada is now accommodating a number far short of her own captures.

It is not an exaggeration to say that the British authorities are extremely anxious about the disposition of German prisoners. Supply and security difficulties prevent extensive accommodation on the Continent.

United States, having already relieved the United Kingdom of a large share of the British quota under the fifty-fifty agreement, now refuse further relief. One argument used by them is their doubt that Canada is carrying her share of the burden.

It is not my intention to urge my own view, however strongly held, against the decision of War Committee, based I am aware on many factors not known to me. It is, however, my duty to communicate to you as an important fact that Canada's rejection of what the United Kingdom feels to be numerically a moderate request (in proportion to the whole problem) is not easily understood by Ministers and Government Departments here.

I understand that Lord Cranborne has asked the High Commissioner in Ottawa once more to approach you on this subject. I strongly urge that War Committee, upon the basis of the evidence to be submitted by him as to the urgency of the problem in this country and the seriousness with which it is viewed, reconsider their decision.

903. DEA/621-K-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 177 Ottawa, January 22, 1945

IMMEDIATE. TOP SECRET. Acceptance of further prisoners of war by Canada.

The High Commissioner for the United Kingdom has had two meetings with the Minister of National Defence on this question. The following is the text of the High Commissioner's telegram to the Secretary of State for Dominion Affairs. The text of this telegram has been approved by the Minister. I am sending it to you for your information and guidance in any subsequent conversations which you may have with the United Kingdom authorities on this subject.

Begins: I have now discussed this question with General McNaughton, who is Minister departmentally responsible. He appreciates the great difficulties of the situation portrayed in your message to me. But he says that there are insurmountable practical difficulties here, and that his advice to the Cabinet will be that, for the time being at any rate, no further commitments in this matter should be assumed by the Canadian Government.

2. He is anxious that London authorities should understand reasons for this. It is not that he or the Canadian Government are at all unwilling to give further help. They would do so if this did not prejudice more urgent war tasks. But any further commitments now would react seriously on the most important parts of Canada's contribution to victory over the common enemy.

3. In order that position may be fully appreciated in London he stated case to me as follows. Canadian Government's paramount purpose is to maintain and support Canada's fighting forces in Northwestern Europe and in Italy. They proposed to do this without seeking any reduction in the combatant strength of those forces. This means that an adequate flow of re-inforcements must be guaranteed. You are familiar with the main features of the recent reinforcement controversy here.[1] General McNaughton has succeeded so far in fulfilling his promise made to Parliament about reinforcements. More than the 10,000 men additional to those planned prior to November 1944 whom he undertook to despatch to Britain in December and January have now landed in Britain or will be included in later despatches this month. He has shipping space for more than an additional 5,000 men in near future. He is confident that an adequate flow of reinforcements can be maintained, even though it now looks as if the casualty and wastage rates at the fronts will be rather higher than was anticipated. But he is faced by certain difficulties, and in order to achieve his objective he is having to be economical in the extreme in his use of manpower.

4. At the same time the Government are anxious to fulfil completely the demands which are being made, or are likely to be made, on Canada for munitions under the Mutual Aid arrangements. This programme of munitions production will require employment of many additional workers in munitions factories. Amongst others, many hundreds of skilled men who are now or who might have been called up under N.R.M.A. in the Army will have to be released for munitions work. He is releasing them. This is a drain on his military manpower which he feels justified in authorizing because of the high importance of munitions production. But he cannot afford any further drain for a less urgent purpose such as guarding prisoners of war.

5. The manpower position with regard to prisoners of war is as follows. 5,374 troops are engaged on guard duties in connection with the 34,000 German prisoners and internees in Canada. He has given careful consideration to the possibility of reducing the ratio of guards to prisoners. But he does not feel able to do this. There are certain factors which make the ratio necessarily higher in Canada than would be the case, say, in Great Britain. For example, the camps are widely spread in different parts of the country and the guard forces are therefore not within a distance of each other which would enable them to give mutual support in case of trouble in one or other of the camps. On the present basis, therefore, some 8,000 extra men would be required to guard 50,000 additional prisoners whom you propose. Such a figure is completely out of the question under present circumstances in Canada. Even a much lower figure is

[1]Voir les documents 330-2.
See Documents 330-2.

impossible. The Canadian authorities cannot risk running short of reinforcements for overseas service.

6. General McNaughton says that there is no other source than the men now in training for overseas service from which he could get guards. There is not a single General Service unit available for the purpose, for these are all in training or in reserve for overseas reinforcements. The Veterans units are already all employed and the possibility of increase has been exhausted. The N.R.M.A. are the only possible source of supply of guards. But the best of these will all be required for overseas reinforcements. The others, General McNaughton said frankly, would not be sufficiently reliable for prisoner-of-war work.

7. In this latter connection the General said that he had to reckon on the possibility of serious trouble with the prisoners of war now in Canada. There is a good deal of evidence of plans amongst the prisoners to make demonstrations and to attempt mass escapes. Many of the prisoners are desperate and fanatical Nazis ready to cause trouble even though this in effect means their committing mass suicide. He is taking steps to reduce this danger. Since assuming office he has strengthened the defences of the camps and made other changes. He is also now establishing a new camp in a remote part of the country, in which several hundred of the blackest and most dangerous characters amongst the prisoners will be sent. But in the meantime he cannot afford either to reduce the numbers of the guards or to lower the quality of the men employed as guards.

8. He told me frankly that there are at present about 7,000 empty places in the camps. But this is because many of the better prisoners are out doing various jobs. He needs this reserve of space in case of trouble involving them. A situation might arise in which they all had to be rounded up and returned behind barbed wire. He would not feel justified at present in taking a risk.

9. He urged other reasons why it is extremely difficult to expand the accommodation for prisoners of war in Canada at present. For example the Canadian winter is long and extremely severe. Camps therefore need a more elaborate accommodation than is the case in gentler climates. Their construction takes much more labour. This is particularly true in the middle of winter itself. At present the labour for extra construction work could not be provided without prejudicing more urgent war tasks; similarly as regards the material required.

10. In the course of the talk, I suggested two or three means by which Canada might be able to accommodate more prisoners but the General negatived all these, and the above is a summary of his comprehensive argument covering every point. The need to guarantee adequate reinforcements dominates the situation so far as he and the Canadian government are concerned. He told me that volunteering for overseas service is now higher than it has ever been. So the long term prospect is good. The short term problem can also be solved but only by rigid refusal to allow any unnecessary diversions from the reinforcement flow.

11. I said that it seemed to me that the picture which he presented indicated that the situation might be easier in some months time. Would the Canadian authorities be willing to help then, if this turned out to be the case. He replied that they would always be open to reconsider the position in the light of developments.

12. I said that it was clear from your message to me that one of the U.K. authorities' main difficulties was to persuade the Americans to take more prisoners of war. One reason for the Americans' refusal was their assertion that the British Commonwealth in general and Canada in particular were not accommodating enough prisoners. The case which he had now presented to me might persuade the Americans that Canada could not at present take more. If it would be helpful to the U.K. authorities in further discussions with the Americans, would he give the Canadian Embassy in Washington and the High Commissioner's Office in London a full picture of the situation so that a Canadian representative could help in the discussions in either capital? He said that he would willingly do this.

13. The above is a statement of the General's personal views. They represent the advice which he will give to the Cabinet. It is of course possible that his colleagues may raise new arguments or mention additional factors in the situation which would modify his views or persuade the Cabinet to adopt a rather different attitude. But in view of the General's authority and responsibility in the matter this is extremely unlikely.[2]

14. General McNaughton has seen this telegram in draft and agrees that it is an accurate summary of the position. Ends.

Please pass copy of this telegram to General Montague.

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[2]Le Cabinet avait noté avec approbation le rapport du ministre le 18 janvier.
The Cabinet had noted with approval the Minister's report on January 18.

PARTIE 2/PART 2

TRAITEMENT DES PRISONNIERS DE GUERRE ET DES INTERNÉS DE L'EUROPE
TREATMENT OF PRISONERS OF WAR AND INTERNEES OF EUROPE

SECTION A

ITALIENS/ITALIANS

904. DEA/621-HU-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-154 Ottawa, January 12, 1944

IMMEDIATE. Your WA-144, January 8th†—Financial Agreement with respect to Italian Prisoners of War.

2. It is noted that the quoted telegram from the Foreign Office to Algiers suggests that the Financial Agreement will be signed by the United Kingdom representative at the same time as the Main Agreement "on behalf of all His Majesty's Governments." Arrangements approved by War Committee contemplated signature of the Financial Agreement for Canada by General Vanier. This information was given to the Legation in EX-4867 of December 16th,† and to the Dominions Office in a telegram of the same date.† This consideration seems, however, to have been overlooked by the Foreign Office, and I should be grateful if you would bring the matter informally to the attention of the British Embassy without delay.

3. In the event it were decided General Eisenhower, in his military capacity, should sign the Financial Agreement on behalf of all the Commonwealth Governments, even though the United States is not a party to the Agreement, such alternative would be acceptable to Canada. In the circumstances you will understand it is not considered appropriate that the Financial Agreement should be signed by the United Kingdom representative, in his political capacity, for Canada.

905. DEA/621-HU-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-265 Washington, January 14, 1944

Your EX-154 of January 13th, Financial Agreement with respect to Italian prisoners of war.

In accordance with your instructions British Embassy have been advised informally that General Vanier having arrived in Algiers, in view of the fact that the United Kingdom representative, and not General Eisenhower, was going to sign this Agreement on behalf of H.M. Governments, it was felt that the Agreement should be signed by General Vanier on behalf of Canada.

British Embassy stated that they would immediately cable Foreign Office bringing that point to their attention. The Canadian Embassy presumes that you will have brought this matter to the attention of the High Commissioner for Canada in London.

906. DEA/621-HU-40

Le secrétaire d'État aux Affaires extérieures au représentant auprès du Comité français de libération nationale, Alger

Secretary of State for External Affairs to Representative to the French Committee of National Liberation, Algiers

TELEGRAM 29 Ottawa, February 19, 1944

IMMEDIATE. Status of Italian prisoners of war—agreement with Badoglio.[3]

As Badoglio has refused to sign the agreement United Kingdom are now proposing to substitute official exchange of letters between Badoglio and Allied Commander-in-Chief. Understand General Gepp[4] leaves for Italy on Sunday to discuss with senior Allied officers.

Canada House understands Gepp's present proposal would mean that Italian prisoners of war could be used on war work short of fighting. Protecting Power will be asked to relinquish protection of Italian interests and instead, as regards prisoners of war, senior Italian officers will have direct access to Detaining Power.

Understand British Embassy are requesting State Department at Washington to instruct United States representatives in Mediterranean area to agree to this proposal.

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[3]Premier ministre d'Italie.
Prime Minister of Italy.

[4]Directeur, section des prisonniers de guerre, le département de la guerre de Grande-Bretagne.
Director, Prisoners of War section, War Office of Great Britain.

General Gepp hopes to return to England with a signed letter. He informed Canadian representative, London, that the text might not be available before signature, but that he hoped that Dominions would not object to this procedure. We have agreed to exchange of letters in place of agreement provided there is no change in the terms already agreed to by Canada, but simply a change of method. I understand that other Dominions are taking similar attitude. Canada House also understands that proposed letters would be exchanged in the name of the Commonwealth unless objections are raised.

We assume Macmillan will be fully informed. Please keep in touch with him and keep us informed.

907. DEA/621-HU-40

Le représentant auprès du Comité français de libération nationale, Alger, au secrétaire d'État aux Affaires extérieures

Representative to the French Committee of National Liberation, Algiers, to Secretary of State for External Affairs

TELEGRAM 47 Algiers, February 23, 1944

SECRET. Your telegram No. 29 of February 19th. Macmillan's office informs me that departure of General Gepp from London for Italy has been postponed, pending further discussions between United Kingdom and United States authorities regarding further approach to Italian Government. Macmillan has been discussing matter in London, and I understand there is possibility that Gepp may still visit Italy to work out separate arrangement covering use of Italian prisoners of war in Commonwealth countries, if early agreement with United States is not reached.

VANIER

908. DEA/621-HU-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 792 London, April 9, 1944

IMMEDIATE. MOST SECRET. Badoglio Treaty regarding Italian prisoners of war.

United Kingdon advise that negotiations for Treaty have finally broken down. Consideration now being given to what steps should be taken. In the interim, United Kingdom are anxious that no publicity should be given about break down.

I am repeating this telegram to General Vanier.

MASSEY

909. DEA/1643-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 1078 Ottawa, August 24, 1944

Sir,

I have the honour to refer to the proposed repatriation of Italian civilian internees which was under discussion by the Commonwealth Civilians Committee at their meeting on August 17th; your despatch No. 1357.†

The Canadian Government is prepared to agree to the repatriation of Italian civilians and merchant seamen interned in Canada provided that the repatriation of these Italians does not put any burden upon available shipping facilities.

For your information I may say that it is estimated that there are not over 120 Italians held in internment in Canada who would be subject to repatriation to Italy. This figure comprises 60 merchant seamen and 20 civilians interned by the United Kingdom and 36 additional merchant seamen who are Canadian internments.

The remaining Italians held in internment in Canada are believed to be all residents of Canada and it is not likely more than a few, if any, of them would be subject to repatriation to Italy.

All these Italians, merchant seamen and civilians alike, are now employed on work projects. They seem to be reasonably contented and are doing good work. However, the Canadian authorities would be glad to cooperate in any arrangements which may be made for the general repatriation of Italian civilians and your representative on the Commonwealth Civilians Committee may so inform that Committee.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

910. DEA/1643-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 1319 Ottawa, August 13, 1945

I have the honour to refer to your telegram No. 2171 of 31st July and previous correspondence concerning the repatriation of Italian merchant seamen now interned in Canada.

In the foregoing connection I enclose herewith three copies of a nominal roll of 95 Italian merchant seamen who, it is expected, will embark for the United Kingdom on or about the 20th of August, 1945. It would be appreciated if copies of the enclosed nominal roll were forwarded to the United Kingdom authorities concerned for their information.

The Department of National Defence (Army), state that they will inform the War Office of the date of arrival in the United Kingdom of these internees. With respect to the billing, the Department of National Defence further state that the United Kingdom Authorities will be advised in the usual manner depending on whether a Canadian or United Kingdom ship is being used for this pupose.

I have etc.

ALFRED RIVE
for the Secretary of State
for External Affairs

SECTION B

FINLANDAIS/FINNS

911. DEA/773-A-40

Le ministre de Suède au secrétaire d'État aux Affaires extérieures

Minister of Sweden to Secretary of State for External Affairs

Ottawa, October 11, 1944

Sir,

Acting under instructions from my Government on behalf of Finnish interests in Canada, I have the honour to transmit the following communication from the Finnish Government.

According to Article 10 of the Armistice Convention concluded between Finland on one side and the Soviet Union in agreement with the United Nations on the other,[5] citizens of the contracting parties who have been

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[5]Voir Canada, *Recueil des traités*, 1944, N° 38.
See Canada, *Treaty Series*, 1944, No. 38.

interned shall be mutually repatriated immediately. With reference to this Article the Finnish Government presents to the Government of Canada the request that Finnish citizens who have been interned in Canada be released at an early date and, if possible, repatriated.

In this connection, the Finnish Government wishes to recall that British subjects have not been interned in Finland, but have been allowed freely to leave the country. Finland has thus already complied with the conditions in Article 10 of the Armistice Convention.

I shall appreciate your advice as to the decision of the Canadian Government in this connection.

Accept etc.

PER WIJKMAN

912. DEA/773-A-40

Extraits d'une note du secrétaire d'État aux Affaires extérieures au ministre de Suède

Extracts from Note from Secretary of State for External Affairs to Minister of Sweden

No. F. 12 Ottawa, November 21, 1944

Sir,

I have the honour to acknowledge your note of October 11th in which you transmitted the request that Finnish Citizens who have been interned in Canada, be released at an early date and, if possible, be repatriated.

There are four Finnish Citizens held in internment. These are:

...

In addition to these four, one, [...] although not technically interned, is held under Immigration Regulations for deportation when that is possible.

In addition to the above five who are in custody, or are interned, there are two [...] who had been interned but who are now released subject to certain conditions.

The Government of Canada will be happy to consider discussing the making of arrangements for their repatriation and I should be very glad to receive any suggestion you may have to make.

Accept etc.

H. F. FEAVER
for the Secretary of State
for External Affairs

913. DEA/773-A-40

Le ministre de Suède au sous-secrétaire d'État aux Affaires extérieures

Minister of Sweden to Under-Secretary of State for External Affairs

Ottawa, November 25, 1944

Sir,

I have the honour to acknowledge the receipt of your note of November 21st regarding the repatriation of Finnish citizens who have been interned in Canada, and I beg to thank you for informing me that the government of Canada will be happy to consider discussing the arrangements for their repatriation.

I shall transmit the reply to my Government, which will doubtless communicate with the Finnish authorities in the matter. Upon receipt of further instructions from my Government I shall have the honour to revert to the matter of arrangements for the repatriation.

Accept etc.

PER WIJKMAN

SECTION C

ALLEMANDS/GERMANS

914. DEA/621-LB-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2274 Ottawa, September 29, 1945

TOP SECRET. The Government wishes repatriation of German prisoners of war in Canada to be initiated at earliest date possible. It is assumed that prisoners will be returned according to some classification as, for example, sick or disabled first, whites[c] trained for technical and administrative use in Germany next, and so on according to suitability in zone receiving them. In order to permit classification and selection for orderly transfer of prisoners on whatever basis decided, it is necessary to ascertain:

(a) Earliest date prisoners can be accepted in Germany.

(b) By whom they will be accepted and in what zones.

(c) What particular system of documentation, if any, and what data about prisoners are required.

[c]Anti-Nazis.

Will you, therefore, explore the matter with the United Kingdom Government and advise us of their views on the two principal points:

(a) How soon beginning of repatriation may be made.

(b) What preparations along lines indicated above will be required here.

You may wish to take this up with Sub-committee A.[7]

Your letters to Mr. Robertson of September 13† and telegram No. 2652 of September 15† are noted.

915. DEA/621-LB-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 2975 London, October 13, 1945

SECRET. Your telegram No. 2274, September 29th, repatriation of German prisoners of war from Canada. Following from Scott, Begins: After conversation with Director of POW, I feel there is no likelihood of a general repatriation in the near future, but it is not unlikely you will receive an invitation to re-transfer the bulk of your Canadian-held Germans to this country to become United Kingdom responsibility. If so, you will be asked to keep the core of unemployable blacks[8] and grays.[9]

I feel that this possibility, while it must affect your thinking, is not yet strong enough to serve as a basis for a constructive policy.

I hope to expand this information in a letter† for Tuesday's bag. Ends.

916. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET Ottawa, December 19, 1945

...

TRANSFER TO UNITED KINGDOM OF GERMAN PRISONERS OF WAR

22. THE MINISTER OF LABOUR reported that, at present, there were some 11,000 German prisoners of war working in woods operations and some 800 to

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[7]Un sous-comité du Comité impérial sur les prisonniers de guerre qui traitait des questions ayant trait aux politiques et à l'administration générale.
A sub-committee of the Imperial Prisoners of War Committee dealing with questions affecting policy and general administration.

[8]Pro-Nazis.

[9]Indécis.
Undecided.

1,000 on individual farms. The remainder, (some 20,000) were in prisoners of war camps.

From the Canadian point of view, it would be preferable to move first those from the camps and leave working prisoners of war until the spring (say April 1st), so that winter woods operations would likely have been completed before the last of them left the country. Among those in camps it was desirable that the so-called "blacks" should be sent first, to be followed by the "greys" and "whites."

An explanatory memorandum had been circulated.

(Secretary's note, Dec. 5, 1945—Cabinet Document 118).'

23. THE CABINET, after discussion, approved the transfer of German prisoners of war to the United Kingdom on the basis recommended by the Minister.

...

917. DEA/621-LB-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 3070 Ottawa, December 28, 1945

IMPORTANT. SECRET. Your 3738 of December 22nd.' Transfer of prisoners of war to United Kingdom.

1. Canadian Cabinet discussed this matter recently and decided:

(a) That working prisoners of war should be left in Canada till Spring (approx. April 1st).

(b) That the non-working prisoners in camps should be returned in the order, blacks— greys—whites.

2. If formal invitation from United Kingdom is not forthcoming very soon, you should push representations on this subject.

PARTIE 3/PART 3

TRAITEMENT DES JAPONAIS
TREATMENT OF JAPANESE

918. DEA/104s

Mémorandum du troisième secrétaire[10] au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Third Secretary[10] to Under-Secretary of State for External Affairs

Ottawa, March 3, 1944

POLICY WITH REGARD TO JAPANESE IN CANADA

(1) On August 20th, 1943, you made the following suggestions to the Prime Minister as to future policy with regard to the Japanese in Canada:[11]

(a) That all possible assistance be given to any persons of Japanese race who wish to return to Japan (including free transportation and permission to transfer funds).[12]

(b) That all Japanese nationals be deported whose internment was necessary during the war.[13]

(c) That the British status be revoked of all Japanese Canadians who had to be interned or who put themselves under the protection of the Protecting Power. Such persons would then be liable to deportation in the same way as persons falling under (b).

(d) That immigration for permanent settlement be stopped.

The Prime Minister approved the above recommendations. With regard to your further recommendation for allowing the residuum of persons of Japanese race now to reside in Canada on a basis of non-discrimination, the Prime Minister indicated that consideration of the matter would be necessary.[14]

Copies of your memorandum were sent to Mr. McCarthy and Mr. Atherton with a view to getting information as to the contemplated U.S. policy. The most informative statement at present available on this is contained in the following extract from a message to the Senate by President Roosevelt on Sept. 14, 1943:

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[10] R. G. Robertson.

[11] Voir le volume 9, pièce jointe, document 513.
See Volume 9, enclosure, Document 513.

[12] Cette note marginale et les autres dans ce document était de F. H. Soward:
This marginal note and the others in this document were by F. H. Soward:
no right of re-entry.

[13] Note marginale:
Marginal note:
See 5a p. 3.

[14] Voir le volume 9, pièce jointe, document 513, notes 248 et 249.
See Volume 9, enclosure, Document 513, footnotes 248 and 249.

"With the segregation of the disloyal evacuees in a separate center, the War Relocation Authority proposes now to redouble its efforts to accomplish the relocation into normal homes and jobs in communities throughout the United States, but outside the evacuated areas, of those Americans of Japanese ancestry whose loyalty to this country has remained unshaken through the hardships of the evacuation which military necessity made unavoidable. We shall restore to the loyal evacuees the right to return to the evacuated areas as soon as the military situation will make such restoration feasible. Americans of Japanese ancestry, like those of many other ancestries, have shown that they can, and want to, accept our institutions and work loyally with the rest of us, making their own valuable contribution to the national wealth and well-being. In vindication of the very ideals for which we are fighting this war it is important to us to maintain a high standard of fair, considerate, and equal treatment for the people of this minority as of all other minorities."

(2) The desirability of attempting to reach some preliminary decisions as to post-war policy is indicated in the letter of Feb. 21 from the Deputy Minister of Labour,[7] concerning travel restrictions on Japanese in Canada. There it is pointed out that:

(a) Undertakings have been given to officials in certain localities as to entry and removal of Japanese;

(b) After the war, provincial and municipal governments will want information as to the location, numbers, occupation, etc. of Japanese; and

(c) It is probable that numbers of Japanese who are naturalized or who were born here, and who are at liberty, would declare their loyalty for Japan rather than for Canada.

All of these are cited as factors which make it difficult, if not inadvisable, to allow a relaxation of restrictions in favour of Japanese Canadians in connection with travel and movement. It is generally recognized that the existing regulations and orders in council constitute a very great injustice to many Canadians of Japanese descent. For that reason it would be desirable to have them alleviated as soon as possible. Moreover, any relaxations that could be granted gradually during the war would render less difficult the adoption of a post-war policy not too flagrantly unjust to Japanese Canadians. However, the experience with the travel regulations indicates that the officials responsible for security and for administration of Japanese affairs are especially dubious of any relaxations that would benefit Japanese persons who, while not interned, nevertheless feel a primary loyalty to Japan. In the circumstances, it seems that it would be desirable to endeavour to segregate the loyal from the disloyal as a prerequisite step toward the elimination of unjust restrictions on the latter.

(3) In the United States the following categories of persons have been segregated at the Tule Lake Relocation Center:

(a) Persons who requested repatriation or expatriation to Japan and who did not withdraw such applications prior to July 1, 1943.

(b) American citizens evacuees who have refused to pledge loyalty to the U.S.

(c) Alien evacuees who have refused to swear that they will abide by the laws of the U.S. and refrain from interfering with the war effort.

(d) Persons denied leave clearance from camps because of an adverse report from a Federal intelligence agency, or some other information indicating loyalty to Japan.

The segregation center has no punitive purpose. Any person who shows "persistent troublemaking tendencies" is sent to the isolation center at Laupp, Arizona.

It is not definitely so stated, but presumably the intention is that persons in the segregation and isolation centers may be subject to deportation after the war. In any event, it is made clear in the President's statement quoted above that the undertakings as to restoration to evacuated areas, etc. apply only to "loyal" evacuees.

(4) I would suggest that the first step toward Canadian post-war policy should be a similar attempt at segregation undertaken as soon as possible. The reasons cited in paragraph 2 support the view that it would be desirable to have such segregation now rather than after the war. There is, moreover, the probability that this would give a more accurate indication of the actual loyalties of the persons involved than would a post-war declaration. A defeated, and perhaps harshly handled Japan, would probably not attract a declaration of loyalty from many persons in Canada even of strong sympathy for Japan if it would be likely to involve their deportation to that country.

(5) If segregation were undertaken in Canada, the following basis for procedure might be considered:

(a) All persons of Japanese race whose internment has proved necessary during the war should automatically be considered to come within the segregated group unless they can show cause why they should not.

(a) All persons of Japanese race who have declared their loyalty to Japan, or who have sought repatriation to Japan during the war should automatically be segregated unless they can show cause why they should not. (A group of Japanese evacuees held at Angler have already declared their loyalty to Japan in a letter to the Minister of Justice.)

(c) All Japanese nationals not in the above groups should be asked whether they will abide by the laws of Canada and refrain from interfering with the war effort. Those who reply in the negative should be segregated.[15]

(d) All persons of Japanese race who are British subjects should be asked to give a declaration of loyalty to Canada and a statement denying loyalty to Japan. Those refusing should be segregated.

(e) Any persons of Japanese race not falling within one of the above groups suggested for segregation should be subject to investigation at any time, for failure to abide by the laws of Canada, for persuading persons not to co-

[15]Note marginale:
Marginal note:
Use indirect test e.g. refus. work.

operate with the Canadian authorities, etc. and, if adequate cause is shown, should be liable to segregation.

(6) Acceptance of the above principles (or others along the same line) would raise questions of procedure which would have to be carefully considered, such as the method of receiving declarations from persons in groups (c) and (d); the nature of the tribunal which should hear persons seeking to show cause against segregation in groups (a) and (b) or charges against persons in group (e); the nature of offences which should involve liability for segregation under item (e); the extent to which appeal to the courts should be allowed in any case to (i) Japanese nationals and (ii) British subjects; the form which segregation should take—i.e.—actual physical segregation or merely classification; etc. All of these and other problems could be dealt with once the basic decision of policy was taken.

(7) In considering the policy of segregation, it is clear that a determining factor, not only as to its usefulness, but also as to the criteria which should be adopted in deciding cases for segregation, is the nature of the consequences, which are to flow from segregation. It is suggested that, to provide a basis for operation, the understanding should be that:

(a) segregated persons of Japanese nationality will be subject to deportation whenever it becomes practicable without any further investigation or right of appeal.

(b) segregated persons who are British subjects will be deprived of their naturalization or status as British subjects (if they acquired it other than by naturalization) and will then be subject to deportation as in the case of Japanese nationals.

Decision on deportation for the categories of persons mentioned would be in accordance with the views advanced by you and approved by the Prime Minister, although wider in scope. The justification for such action would be, as you have suggested, the necessity of dealing drastically with those who have been disloyal or of a doubtful character during the war in order that it may be possible to secure general agreement on a policy which would deal justly with those Japanese who have been blameless.

If the above principles were adopted, it would involve the necessity of providing machinery for careful consideration of the case of each person prior to segregation, including whatever scope for appeal from the decision of the board of review might seem desirable. After the necessary consideration had been given to each case, which could be done over a certain period of time, it would provide the advantage that all cases would be decided and a definite group of persons whose deportation was considered desirable would be segregated and ready for such deportation at the end of the war without further delay or investigation.

(8) Approval of a policy along the lines suggested above would go beyond the suggestions set forth in items (b) and (c) of your memorandum to the Prime Minister. The essential approach would, however, be the same.

(9) With regard to deportation, Mr. Howard Green[16] recently raised in the House the desirability of having special consideration given to the law governing it by the committee set up to review the Defence of Canada Regulations. His amendment in this connection was accepted, and the Committee will consider both deportation and naturalization. In the course of his remarks Mr. Green stated that he believed it was virtually impossible to deport a person who has been in Canada for more than 5 years. Any policy of deportation of Japanese, will require an examination of the present law governing deportation and consideration of necessary amendments. The position appears to be as follows:

(a) *Persons born in Canada*

As the Immigration Act stands at present, it seems clear that it does not enable deportation under any circumstances of a person born in Canada who has not become an alien. "Deportation" is defined in S. 2(c) as the removal of a rejected immigrant or of a person already landed in Canada, or in Canada contrary to the provisions of the Act "to the place whence he came to Canada, or to the country of his birth or citizenship." If it is deemed desirable to enable the deportation of certain persons born in Canada (under group(d)) *Supra* provision will be necessary, not only for depriving them of their British status, but also to enable deportation.

(b) *Persons who have acquired the status of British subject in Canada otherwise than by birth*

Such persons will be persons naturalized here, or women who became British subjects by marriage. Such persons will have a "country of birth" outside of Canada, and there would not appear to be the same basic inability in respect of deportation that exists for persons born here. Provision could be made to render their status as British subjects null *ab initio*, in which case it would appear that deportation would be possible to the same extent as for aliens who have acquired domicile in Canada.

(c) *Aliens*

(i) S.41 of the Immigration Act provides that "Whenever any person other than a Canadian citizen advocates in Canada the overthrow by force or violence of the Government of Great Britain or Canada, ... or the overthrow by force or violence of constituted law and authority, ... or shall by word or act create or attempt to create riot or public disorder in Canada ..., such person for the purposes of this Act shall be considered and classed as an undesirable immigrant."

(ii) Persons whose internment has proved necessary in the present war could probably be brought within the scope of the above, and it might be interpreted widely enough to include persons who declare loyalty for Japan during the war as by implication advocating "the overthrow by force ... of the Government of Great Britain or Canada." The latter is doubtful. It seems clear that the

[16] Député fédéral pour Vancouver sud.
Member of Parliament for Vancouver South.

section is not wide enough to cover persons who merely declared a desire to return to Japan.

(iii) If the above is correct, an extension to the scope of S.41 of the Immigration Act (or a specific provision directed entirely at the problem under discussion) will be necessary before deportation is possible in the cases suggested in this memorandum.

(iv) If the procedure is adopted of extending the scope of S.41 to include additional categories of persons as "undesirable immigrants," it is necessary to consider the adequacy of existing provisions for the examination and deportation of such persons.

(v) By S.42 of the Act, persons charged with being undesirable immigrants are subject to examination by a Board of Inquiry set up by the Minister of Mines and Resources under S.13 of the Act. Persons charged have the right to be represented by counsel. Decisions of the Boards are by majority (S.17). An appeal may be made to the Minister of Mines and Resources (S.19), and the decision of the Board or Minister may be reviewed or reversed by a court if the person involved is a "Canadian citizen or has Canadian domicile." (S.23) (Presumably it is this possibility of judicial review in the case of a person having Canadian domicile that Mr. Green had in mind in his statement referred to above.) Persons held to be undesirable immigrants under the above procedure may be ordered deported.

(vi) It seems clear that the procedure and machinery established by the Immigration Act would not be satisfactory for determining cases for segregation with a view to alternate deportation or (if immediate segregation is not thought desirable) for dealing with deportation hearings involving the Japanese whose deportation seems desirable. The policy involved is not primarily an Immigration one, nor are the cases that will have to be heard of the type for which the Immigration Boards of Inquiry are designed. Appeals, if they are allowed, should probably not be to the Minister of Mines and Resources, but to the Minister of Justice or to a court.

(10) In the light of the above examination it is suggested that:

(a) The provisions of the Immigration Act are not adequate either as to scope or as to machinery to handle the deportation cases that will arise if the suggested policy is adopted.

(b) It would not be sufficient simply to extend the classification of "undesirable immigrants" or the definition of "deportation" under the act.

(c) The most satisfactory procedure would be to have a comprehensive order in council passed under the War Measures Act, or an act passed by Parliament, to provide special deportation measures to take care of the immediate post-war problem.[17]

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[17] Note marginale:
Marginal note:
Preferable.

(11) A question distinct from deportation is that of depriving persons to be deported of their status as British subjects in cases in which non-aliens are involved. There seems to be no doubt but that such status should be removed before deportation is ordered.

(12) Under the Naturalization Act there is no method of depriving a British subject by birth of his status as a British subject. Persons who are British subjects by naturalization may have their naturalization revoked for:

(a) disaffection or disloyalty to His Majesty (S.9(1));

(b) trading or communicating during war with the enemy or with the subject of an enemy state, or engaging in any business carried on so as to assist the enemy (S.9(2)(a));

(c) remaining, according to the law of a state at war with His Majesty, a subject of that state (S.9(2)(e)).

Naturalized Japanese refusing to give a declaration of loyalty could probably be handled under (a). A further group of naturalized Japanese in the segregated group could be handled under (c) since a large number of Japanese naturalized prior to August, 1934, did not cease to be Japanese nationals. (This was because Japanese law provides that a person who has not complied with military service requirements cannot divest himself of Japanese nationality. Since P.C. 1760 of August 13, 1934, no Japanese have been accepted for naturalization who did not have a certificate from the Japanese Minister indicating that they had complied with Japanese military service requirements.)

(13) A further provision at present in effect which enables persons who are British subjects by birth, as well as naturalized persons, to be deprived of their status as British subjects is P.C. 10773 of Nov. 26, 1942. This Order provides that any British subject (by birth, marriage, or naturalization in Canada, or by the birth or naturalization of his father in Canada) who seeks "repatriation" to a country at war with Canada "*shall*, as from the date of his departure from Canada for repatriation cease to be a British subject."

The Order also provides that any person of the above category who:

(a) Makes application for protection to the Protecting Power of a State at war with Canada, or

(b) asserts allegiance to such state, or

(c) makes application for repatriation to such a state but is not so repatriated, *may* "in the discretion of the Secretary of State be deprived of his status as a British subject."

(14) Applying the provisions outlined above (paragraphs 12 and 13) to the categories suggested for segregation in paragraph 5, it appears that the following groups would not be covered:

(a) Canadian-born Japanese interned during the war.

(b) *Possibly* Canadian-born Japanese who refuse to give a declaration of loyalty to Canada and a statement denying loyalty to Japan. These would be covered if refusal to give a declaration of loyalty were deemed to constitute an

assertion of allegiance to Japan under P.C. 10773. Naturalized Japanese *might* be covered in the same way, and almost certainly would be covered on the basis of "disaffection or disloyalty" to His Majesty.

(c) *Possibly* naturalized persons who failed to abide by the law of Canada, etc.

(d) Canadian-born Japanese who failed to abide by the laws of Canada, etc.

(15) From the above it would appear that provisions for depriving persons of their status as British subjects are much more adequate for the purpose in mind than are the provisions regarding deportation. Nevertheless, there are gaps. These could be filled either by an Order-in-Council to supplement P.C.10773, or by a new and comprehensive order consolidating all provisions necessary to deal with the whole problem. Some amendments in the Naturalization Act may be deemed desirable, but it is probable that for permanent purposes it would not be desirable to make these as broad in scope as the legal provisions which will be necessary to handle the immediate post-war problem.

(16) If the necessary legal provisions were made to enable segregation, revocation of status as British subjects, and deportation of persons in the categories suggested in paragraph 5, it is probable that several hundred and possibly some thousands of Japanese persons would be removed from Canada at the end of the war. It is to be noted that the suggested provisions would not eliminate all Japanese nationals from Canada. Deportation of persons merely because they have omitted to become naturalized would appear to be unjustified, especially when it is known that many persons took out naturalization papers, not because of loyalty to Canada, but simply to be enabled to engage in fishing, etc. A recent Gallup Poll, however, indicated that some 83% of people interviewed were in favour of deporting *all* Japanese nationals. In view of this, it might be desirable, and it would not seem unjust, to provide that all Japanese nationals not coming within the segregated categories, should be subject to deportation, one year after the conclusion of hostilities who have not[18]

(a) become naturalized, or

(b) made a declaration of intention to become naturalized which was accepted by the Secretary of State.

This would enable the deportation of:

(a) Japanese nationals who do not wish to become British subjects, and

(b) Japanese nationals whose credentials and record do not justify their naturalization or the acceptance of their declaration of intention.

The result of the above measures would be to eliminate from Canada all persons who were disloyal or of doubtful loyalty and, in a short period after the war, *all* Japanese nationals.

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[18]Note marginale:
Marginal note:
Section a b one year limit dubious.

(17) It is impossible to know in advance how large the residue would be in respect of whom the problem of resettlement in Canada would have to be dealt with. The Prime Minister indicated in reply to your memorandum of last August that consideration would have to be given to allowing them to reside in Canada subject to no "special or peculiar disabilities with respect to place of residence, employment, civil obligations, or educational opportunities." It was, however, somewhat of a surprise to note that the recent Gallup Poll showed 59% of the people interviewed to be in favour of allowing Japanese Canadians to remain in Canada, and particularly to note that the proportion was not noticeably less in British Columbia than elsewhere. A large portion of the remaining 41% were "undecided." This suggests that most of the opposition to allowing continued residence in Canada and return to former places of residence may be coming from a vociferous minority who are loudly supporting a completely unjust policy. If the hard core of disloyal and alien elements among the Japanese could be eliminated, there would seem to be good reason to expect that it would be possible to declare firmly and without general opposition that the remainder would be allowed to continue to live here without restriction.

(18) If the suggested policy were considered suitable as a basis on which to begin consideration of the problem, there are a large number of matters that would have to be considered, such as:

(a) *The detailed basis, provision for and machinery of segregation*

The person to be segregated; the nature of the tribunal which should hear cases; the extent to which appeal from that tribunal should be allowed; the court to which or the person to whom appeal should be made; the nature of "segregation" in the physical sense; etc.

(b) *Necessary provisions for deportation*

Decision as to the nature of these provisions; whether they should be embodied in the Immigration Act or in a special Order or Act; etc. (It may be noted here that it would become necessary to impose as one of the peace terms on Japan the obligation to receive any persons of Japanese race deported from Canada, since otherwise there would be no obligation to receive persons who are not Japanese nationals.)

(c) *Provisions for the revocation of British status:*

Whether by amendment of the Naturalization Act, or by a special Order or Act; the possible necessity of securing the concurrence, in certain aspects of other countries of the Commonwealth; the desirability of requiring the Japanese to grant the status of Japanese national to any person of Japanese race deprived of the status of British subject. (Here it might be noted that consideration should also be given to requiring the Japanese Government to divest of the status of Japanese national any person in Canada having the status of British subject.)

(d) *Wartime controls to be continued on non-segregated persons.*

(e) *Problems of post-war resettlement*

To deal with these fully, a thorough examination would have to be made of all orders and regulations that have been passed affecting Japanese; of the extent to which such orders have been carried out, especially in connection with sale of Japanese property, removal from homes, etc.; of the agreements made with various local governments which have agreed to accept Japanese for settlement during the war; of the aspects of the problem falling under provincial jurisdiction; etc.

(f) *Correlation of Canadian policy with U.S. policy.*

(19) The above is by no means exhaustive, but it does indicate that many agencies of the government are involved, and that it would be desirable to have the matter discussed and as much as possible done to prepare the ground during the war. Probably it would be desirable to set up an interdepartmental committee which could deal with the details that must be examined in order to implement whatever policy is decided on. The work of this committee on matters involving deportation and naturalization problems should be brought before the committee which has been set up in the House to consider the Defence of Canada Regulations, deportation, and naturalization. Departments which will be interested in the problem appear to be:

External Affairs
Labour
Immigration
Justice
Custodian
Naturalization Branch
National Defence (possibly).

(NOTE—This memorandum has dealt only with the Japanese problem.

Questions of deportation and post-war resettlement will arise, though not in so serious a form, in connection with other enemy aliens or persons of enemy descent. These groups would have to be kept in mind in considering the Japanese question. In part, some may be dealt with under P.C. 10773 (see paragraph 13). It is probable, however, that amendments will be made in the Immigration Act and also in the Naturalization Act even if a special measure is passed to provide specifically for the Japanese. If so, possibly other groups can be handled under such amendments without special measures to cover them analogous to those which will be necessary to deal with the Japanese.

919. DEA/104s

Mémorandum de l'adjoint spécial en temps de guerre[19] du sous-secrétaire d'État aux Affaires extérieures

Memorandum by Special Wartime Assistant[19] to Under-Secretary of State for External Affairs

Ottawa, March 22, 1944

MEMORANDUM ON MR. R. G. ROBERTSON'S NOTE ON POLICY WITH REGARD TO JAPANESE IN CANADA

1. This note while tough and even harsh in tone is in essence not ungenerous and the same solution could be worded, if we were trying to conciliate liberal opinion instead of illiberal opinion, in very different language.

2. The number of Japanese nationals in Canada, including men, women and children, is less than 6,000 and is approximately one-half of the number of army deserters of other races present in the country. Of these it is proposed to deport only those who have in one way or another shown that their sympathy lies with Japan. Most of these would be willing to go and there would be no serious objection to the proposal.

3. Those who have become Canadians by naturalization are sometimes open to the suspicion that they have done so in order to qualify for fishing licenses, or for other reasons of the same character. This is the more probable as far fewer Chinese have naturalized. There is no comparable category in the United States which has not permitted naturalization. There is a good deal to be said for picking over this group to weed out any whose naturalization was insincere.

4. The measures considered in the last two paragraphs would be easier to defend before world opinion if they applied to Germans as well as to Japanese. These two nations could be singled out for separate treatment because of their resort to atrocities. If aggressive national policy were the test we should have to include Italians as well.

5. The second class of Canadians of Japanese race consists of those who have acquired Canadian nationality in accordance with our law by birth in Canada. I think that we should hesitate a long time before depriving any one in this category, whatever his race may be, of his nationality, although he may appropriately be banished if his behaviour in the war has been bad. It is suggested, however, that few, if any, of this group have been as bad as the deserters from the army mentioned above.

6. An exception to this statement should be made in the case of Canadians of Japanese race who are also Japanese nationals for the purpose of the Japanese law because of the registration of their births by their parents at Japanese consulates. In this instance a man may well think of himself as having two nationalities and as being free to choose where his loyalty lies. I think this is true of people of other races who have both Canadian and United States

[19] H. F. Angus.

nationality. If a choice has been indicated by overt conduct in favour of Japan, then I think we are quite free to treat the man concerned as not recognizing Canadian nationality.

7. A doubtful case is presented by Canadians of Japanese race who have been interned for resisting deportation, or some other measure of compulsion which they considered unjust. They may or may not have resisted in such a way as to indicate a preference for Japanese nationality. The presumption is that they did not indicate such a preference since the Japanese Government is more arbitrary than the Canadian. Unless they indicated such a preference, their conduct is distinctly less reprehensible than that of army deserters.

8. If, in spite of the undesirability of depriving Canadian-born Japanese of the nationality which we have conferred upon them by statute, we do decide to ask them for a declaration of allegiance different in character from anything required by Canadians of other races, then we ought at the same time to indicate to them the extent to which Canada is prepared to receive them as citizens. Are they to have liberty of movement from one locality to another? Are ordinary careers to be open to them? Are they to have special rates of relief because of the lower standard of living which we sometimes reproach them with accepting? Are they to have voting rights at least in Dominion elections, no matter where they reside? If we are not in a position to guarantee these things—and I assume that we are not—it is not fair or reasonable to ask a man at his peril to declare his allegiance to Canada.

9. If we look at the broad question of policy, in this as in so many other cases, what matters most is the way in which an action is taken. Except in detail, there is little to object to in the proposals contained in the note, but the approach to these proposals is of a character to make them acceptable to certain elements of Canadian opinion not represented in the sixty per cent majorities which voted on a Gallup poll against deporting from Canada Canadian citizens of Japanese race. A more generous approach would be more congenial to this majority, more creditable to Canada and would do a great deal towards removing circumstances which tend to embitter racial relations not only in this country but throughout the world.

10. Canada would gain in international prestige by adopting this more liberal approach.

920. DEA/104s

Mémorandum du troisième secrétaire

Memorandum by Third Secretary

Ottawa, March 22, 1944

POLICY WITH REGARD TO JAPANESE IN CANADA

Mr. R. G. Robertson's comprehensive survey of this subject appears to me to be both adequate and fair. The following observations are offered as amplification of some of the points already mooted:

(1) In consideration of Canada's long-term relations with the peoples of Asia it would seem desirable, if at all practicable, to draft enabling legislation in general terms so that for the record at least it will not appear to be discriminating against the Japanese as a race, but rather, against all persons in Canada of enemy nationality or origin who have been disloyal, etc., to Canada. The number of persons of German, Italian or other nationality or origin whom we might wish to repatriate may be small, but if they were dealt with by the same legislation our future friendly relations with other Asiatic countries or even a reformed Japan would not be made more difficult by a charge of "racial discrimination."

(2) As suggested in paragraph (4) page 3. of Mr. R. G. Robertson's memorandum, among other reasons for trying to reach a wartime settlement of this matter is the consideration that for economic reasons large numbers of Japanese or Japanese Canadians, who might have declared their sympathy for Japan when she was winning victories, will not do so when they contemplate the economic chaos that is certain to result from the military defeat of Japan. For that reason it would seem to be urgent that segregation be proceeded with before Japanese in Canada become convinced of the defeat of their country, else those who for political reasons would declare their loyalty to Japan will refrain from doing so for economic reasons.

(3) In paragraph (16) page 8 it is suggested that all Japanese nationals not coming within the segregated categories should be subject to deportation, one year after the conclusion of hostilities, who have not become naturalized or made a declaration of intention. This suggestion is very reasonable provided that unreasonable obstacles are not placed in the way of decent Japanese who wish to become naturalized. In this connection it would appear that the provision of Japanese law, noticed in P.C. 1760 of Aug. 13, 1934 and mentioned in paragraph (12), page 7., to the effect that persons who have not complied with military service requirements cannot divest themselves of Japanese nationality, would continue to be an obstacle to naturalization. Or would we make it a provision of the Peace Treaty that this Japanese statute be rescinded?

A. R. M[ENZIES]

921. W.L.M.K./Vol. 361

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, March 27, 1944

At Quebec last August I submitted to you a memorandum[20] containing certain tentative suggestions as to the policy that should be adopted with regard to the treatment of Japanese in Canada. You agreed with the following preliminary suggestions:

(a) That all possible assistance be given to any persons of Japanese race who wish to return to Japan (including free transportation and permission to transfer funds).

(b) That all Japanese nationals be deported whose internment was necessary during the war.

(c) That the British status be revoked of all Japanese Canadians who had to be interned or who put themselves under the protection of the Protecting Power. Such persons would then be liable to deportation in the same way as persons falling under (b).

(d) That immigration for permanent settlement be stopped.

I also suggested that, if the above principles were adopted, the remaining Japanese in Canada should be allowed to remain here without any special disabilities on a basis of non-discrimination. You were of the opinion that this would require consideration.

On the whole, I think our treatment of the Japanese in Canada has not been unduly harsh and can be defended as reasonable in the circumstances. Nevertheless many of the restrictions that have been placed on persons of Japanese race work hardship upon them. The people involved are in the great majority of cases British subjects and Canadian nationals who personally are guilty of no offence other than that of having Japanese ancestry. I think it would be very desirable if we could remove as far as possible the aspects of racial discrimination that are involved. In order to do this, however, it is necessary I think to deal strictly, and perhaps more strictly than the individual cases would in themselves justify, with any and all cases in which there is adequate reason to believe that the person involved has endeavoured to assist the Japanese war effort or hinder ours, or has manifested disloyalty toward this country or greater sympathy for Japan. If such persons could be identified and segregated (nominally, for the most part, but physically wherever necessary) it would be possible to reduce the restrictions on other persons of Japanese race. Such action would have a double advantage. It would strengthen the principle on which our treatment of Japanese is based, and it would prepare the way for

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[20] Voir le volume 9, pièce jointe, document 513.
See Volume 9, enclosure, Document 513.

a post-war acceptance of innocent Japanese as proper persons to remain in Canada. A recent Gallup Poll indicated that 59% of the people interviewed were in favour of allowing Japanese Canadians to remain in Canada after the war. If this is to be done, it is desirable to take whatever preparatory steps are possible now.

I have discussed the question with members of the Department who are particularly interested in the problem. Subject to your approval, it would, I think, be desirable now to have the matter considered interdepartmentally. For this purpose, I would suggest that the following general principles, which are essentially an elaboration of the original proposals with which you expressed agreement last August, should be made the basis of consideration:

(a) Steps should be taken to achieve as soon as possible a segregation of undesirable and disloyal Japanese from those whose sympathies for this country are beyond doubt.[21]

(b) The segregation should be on the following basis:

(i) All persons of Japanese race whose internment has proved necessary during the war should automatically be considered to come within the segregated group unless they can show cause why they should not.

(ii) All persons of Japanese race who have declared their loyalty to Japan or who have sought repatriation to Japan during the war should automatically be segregated unless they can show cause why they should not.

(iii) All other persons of Japanese race should be subject to investigation for failure to abide by the laws of Canada for non-compliance with Selective Service Regulations, or for other indications that their sympathies are with Japan in the war and, if adequate cause is shown, should be segregated.[21]

(c) All cases for segregation should be examined by a commission or other special body to be established, with possibly a right of appeal to the Minister of Justice in the case of persons who are British subjects.[21]

(d) The post-war consequences of segregation should be:

(i) for Japanese nationals—deportation to Japan without further investigation or right of appeal.

(ii) for British subjects—loss of British status and deportation as in the case of Japanese nationals.[21]

(e) Any persons of Japanese race who express a desire to return to Japan should be given all possible assistance to do so as soon as it is practicable.[21]

If the above principles should be found feasible for adoption and segregation were instituted, it would, I think, be possible to relax some restrictions on innocent Japanese. It would probably not be possible to allow their return during the war to the protected area of British Columbia. However, if this restriction were maintained, but at the same time loyal Japanese were allowed to buy land elsewhere in Canada, it might encourage them to "take root" in

[21]Note marginale:
Marginal note:
approved.

other provinces. Such a dispersion would facilitate a post-war settlement on a reasonably just basis by helping to meet the otherwise adamant stand of British Columbia in the face of a probable return of almost all Japanese to that province.[22]

It will probably be necessary to approach the provinces at some stage. However, there would be much less difficulty in reaching a sound basis of agreement with them if we could show that all doubtful cases had been carefully dealt with and only innocent persons of Canadian sympathies were involved. A carefully considered and definite program might be accepted without too great difficulty.

If it is possible, after consideration, to deal with the Japanese and persons of German, and possibly Italian origin at least formally on the same basis, it would probably be preferable. However, I think there is a real difference in the nature of the problem, and this would have to be the major consideration.[23]

If you approve the suggestions set forth above, I shall take steps to have the matter considered interdepartmentally in order that a complete report and plan of procedure can be submitted for the approval of Council.[24]

N. A. R[OBERTSON]

922. **PCO**

Mémorandum du secrétaire, le Comité de guerre du Cabinet

Memorandum by Secretary, Cabinet War Committee

SECRET Ottawa, April 18, 1944

RE: POLICY WITH REGARD TO JAPANESE IN CANADA

1. Two interdepartmental meetings have been held in the past week to give consideration to recommendations which might be brought before War Committee with regard to steps to be taken toward the settlement of the problem of Japanese in Canada. The meetings were attended by the Under-Secretary of State for External Affairs, the Under-Secretary of State, the Deputy Ministers of Justice and Labour, the Director of Immigration, and the Deputy Commissioner of the R.C.M.P., and other representatives of the Departments indicated.

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[22]Note marginale:
Marginal note:
will need consideration by War Committee of Cabinet. K[ING]

[23]Note marginale:
Marginal note:
I agree.

[24]Les notes suivantes étaient écrites sur ce mémorandum:
The following notes were written on the memorandum:
Generally approved but not re buying *land*. This I think is questionable so long as the war lasts. W. L. M[ACKENZIE] K[ING] 29-3-44.
Noted.

2. The meetings agreed that the following appeared to be desirable basic principles for the formulation of recommendations on policy:

(a) Steps should be taken to achieve as soon as possible a segregation of undesirable and disloyal Japanese from those whose sympathies for this country are beyond doubt.

(b) The segregation should be on the following basis:

(i) All persons of Japanese race whose internment has proved necessary during the war should automatically be considered to come within the segregated group unless they can show cause why they should not.

(ii) All persons of Japanese race who have declared their loyalty to Japan or who have sought repatriation to Japan during the war should automatically be segregated unless they can show cause why they should not.

(iii) Other persons of Japanese race should be subject to investigation for failure to abide by the laws of Canada for non-compliance with Selective Service Regulations, or for other indications that their sympathies are with Japan in the war and, if adequate cause is shown, should be segregated.

It was felt that those adjudged to fall within the segregated category should be subject to deportation after the war. In the case of those who were British subjects, a preliminary step would be necessary in the revocation of such status.

The meetings also agreed that any persons of Japanese race who expressed a desire to return to Japan should be given all possible assistance to do so as soon as practicable.

It was the view of the meetings that, in following the policy of segregation and deportation, regard should be had for the policy followed in the United States. The problem there is essentially the same, and it was felt that it would be preferable if the measures taken could be kept in line with one another.

3. The underlying assumption in reaching the above conclusions was that it would be desirable at the end of the war to achieve a reduction in the Japanese population of Canada by removing all those who had shown in the war that their closest connection or loyalty was to Japan. It was felt that only by such selection and removal would it be possible to enable an elimination of the restrictions which at present apply on a purely racial basis to a section of persons of British status, as well as to aliens of the same race. It was also felt that if such selection could be made, it would be much easier to approach the provincial governments, which will have to be consulted at some stage, with a policy for re-settlement which would be just to the Japanese remaining in Canada, defensible in the interests of Canada, and at the same time acceptable to the provincial authorities.

4. Consideration was also given to the fact that it would be desirable to encourage, as far as possible, a re-settlement of loyal Japanese during the war on a basis which might achieve permanency. The wartime restrictions on entry into the protected area of British Columbia would ensure that such settlement would be outside the area of greatest controversy. If approved, Japanese would be allowed to purchase land in other parts of Canada. It was felt that this might encourage their dispersal throughout the country and thus reduce the

problem arising out of their concentration in British Columbia. Any decision on this matter, however, would have to have regard for the fact that, thus far, undertakings have been given to provinces in which Japanese have been resettled to remove them at the end of the war.

5. The meetings agreed that, if the principles outlined in paragraph (2) are approved, it would be desirable to begin at once with an examination of individual cases in order to have ready, at the conclusion of hostilities, a list of persons whose deportation or voluntary removal could be instituted. This would require examination and preparation of the files in all doubtful cases by the officials of the Department of Labour and R.C.M.P., and decision on the cases, on the basis of such files and any additional evidence that appeared desirable, by a commissioner to be appointed for the purpose. Such a commissioner should preferably be drawn from the bench, and the magnitude of the problem would require that he give his full time to it.

6. The meetings agreed that the following recommendations be placed before War Committee:

(a) That the general principles outlined in paragraph (2)(above) be approved as the basis for initiating consideration of the problem.

(b) That a commissioner be appointed to review all cases of persons of Japanese race whose loyalty is doubtful in order to determine those who should be deported in accordance with such principles, and with power to render final decisions in all cases.

(c) That consideration be given to the desirability of framing the powers of the commissioner in such a way as to enable him to review cases of enemy aliens other than Japanese, and persons of enemy origin or descent other than Japanese, on the same principles.

A. D. P. HEENEY

923. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, April 19, 1944

...

REPATRIATION OF JAPANESE IN CANADA

26. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted a report, copies of which had been circulated.

The proposal for an order to govern the travel of Japanese in Canada had, for the time being, been dropped and, with the approval of the Prime Minister, the question of the basic policy to be followed after the war had been taken up with the departments concerned.

The report proposed that steps should be taken, as soon as possible, to segregate all undesirable and disloyal citizens of Japanese race from those

whose sympathies for Canada were beyond doubt. It was recommended that investigation of individual cases be conducted by a commissioner, with a view to deportation of those whose internment had proven necessary, those who had declared loyalty to Japan or who sought repatriation to Japan or had failed to comply with Selective Service regulations, or had otherwise indicated their sympathies with Japan.

(Secretary's memorandum, April 18, 1944—C.W.C. document 756).

27. THE WAR COMMITTEE, after discussion, approved in principle the recommendations contained in the report submitted, on the understanding that a submission to Council would be prepared providing for the appointment of a commissioner, in general terms, his functions to be further defined, if necessary, by special confidential instructions.

...

924. DEA/104s

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6081 Washington, October 24, 1944

CONFIDENTIAL. Following for Keenleyside from Reid, Begins:

1. I called on Dickover this morning, the Head of the Japanese Division of the Office of Far Eastern Affairs in the State Department, in order to give him a copy of Norman's memorandum which you sent under cover of your despatch No. 1489 of October 16.† I took advantage of the opportunity to ask him to have lunch with me next Tuesday, the 31st. He mentioned that he is working on a memorandum† to be given to External Affairs through the United States Embassy in Ottawa on the treatment after the war of persons of Japanese origin in the United States. This is apparently in response to a request made by the Under-Secretary after the Prime Minister gave his speech of August 4th.[28] Dickover said there were two points which particularly concerned him and which had not been touched on in the Prime Minister's speech. One was the question of dual nationality. Most of the Nisei in the United States have dual nationality. He would like to have it clearly established after the war that they would have to choose between United States and Japanese citizenship. The second problem arose out of the constitutional difficulties in the United States of preventing the several States from going in for their own policies of discrimination against persons of Japanese origin regardless of their nationality, or whether they have been born in the United States. He agreed that they could use the 14th Amendment, but this procedure was cumbrous. He wondered what we were proposing to do in Canada to prevent the Provinces

[28] Voir Canada, Chambre des Communes, *Débats*, 1944, volume VI, pp. 6127-30.
See Canada, House of Commons, *Debates*, 1944, Volume VI, pp. 5915-7.

from pursuing their own policies of discrimination on, for example, the ownership of land.

2. It might be useful if you could let me have before Tuesday some comments on these two questions, and if you could also let me know what particular question I might sound Dickover out on at lunch.

3. He is looking forward to seeing you when you pay your long expected visit to Washington. Ends.

925. DEA/104s

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4383 Ottawa, October 27, 1944

CONFIDENTIAL. Following for Reid from Keenleyside, Begins: Reference your teletype WA-6081 of October 24 concerning post-war treatment of the Japanese in the United States.

I am glad to hear that a memorandum on United States policy is being prepared, as we have frequently sought to secure information from them concerning their plans. Your discussion with Dickover next Tuesday will be useful in raising for attention certain points which seem to us to be important.

With regard to the question of dual nationality in which Dickover is interested, no very great consideration has yet been given to the matter here. A large number of children of Japanese race born in Canada have hitherto been registered with Japanese consuls and have thereby acquired Japanese nationality as well as being British subjects by birth. According to Japanese law, Japanese children born in Canada who are not so registered do not acquire Japanese nationality. In addition to dual nationals of this type, there are some persons who became naturalized here without losing their Japanese status. According to Article 24 of the Japanese Naturalization Law No. 66 of March 1899, Japanese persons who are liable to military service in Japan do not lose their Japanese nationality on taking out naturalization in a foreign country unless they have performed the service required of them. Until 1934 no question was asked on this point when application was made for naturalization here and consequently many Japanese men became dual nationals. By Order in Council P.C. 1760 of August 13, 1934, it was provided that in future no Japanese would be accepted for naturalization who did not have a certificate from the Japanese Minister in Canada indicating that he had complied with Japanese military service requirements. As a result, since 1934 dual nationality has not arisen through cases of naturalization.

When the commission to be established here to investigate the loyalties of Japanese persons begins its work, it is not expected that a line of distinction will be drawn on the basis of nationality. It is felt that the national status is not any necessary indication of the loyalty or sympathy of the person involved.

Many have acquired Canadian nationality simply because of certain advantages it affords. Others have failed to acquire such nationality not because of any lack of sympathy, but perhaps due to oversight and sometimes because they were not prepared to return to Japan for the military service that would be a prerequisite for naturalization.

With regard to the Japanese who are allowed to remain in Canada after the war, the question will arise as to whether those who are Japanese nationals should be divested of that status and required to become British subjects. There would be some difficulty in this and if it were to be done, it would be necessary to require the Japanese Government under the Peace Treaty to divest of Japanese status any of their nationals who were to be allowed to continue to reside in any of the United Nations the government of which wished to have such Japanese status removed. One thing which it seems probable should be done is to ensure that registration of Japanese children with Japanese consuls in order to acquire Japanese nationality will not be possible after the war. This whole question will probably be considered by our commission here and I have no doubt that they will make recommendations concerning it.

A problem related to this is as to the position of persons of Japanese race who are not Japanese nationals and whom it is felt should be deported after the war. It will probably be necessary to have some provision in the Peace Treaty requiring the Japanese Government to give national status to such persons and allow them to enter Japan on a basis of non-discrimination. You might wish to raise this point for consideration by Dickover.

With regard to the second problem you have mentioned as to discriminatory treatment by the Provinces, this is one problem that will probably have to be met here through a conference with the provincial authorities. Under the British North America Act the provinces could, for example, make it impossible for Japanese persons to acquire land. This would render extremely difficult the federal policy of resettlement. In addition to the question of land, the provinces could raise barriers through their control over civil rights. Here again it will be a question for consultation and agreement, since the Federal Government does not possess any power through which it could ensure that the provinces would not discriminate.

There are several other questions which it might be useful for you to discuss. One of these is the policy with regard to Japanese persons who express voluntarily a desire to return to Japan. The inclination here is to give every assistance to such voluntary declarants. The Government may make an announcement in the near future asking all Japanese who so wish to move to give indication in writing of their desire to do so. The announcement may state that such persons will be allowed to liquidate all their immoveable property, and take all funds and generous amounts of moveables with them. It may be decided to grant re-establishment allowances to needy cases in deserving circumstances. All this would be intended as an inducement toward voluntary expatriation. No final decisions have been taken and an indication of United States views would be useful.

Another problem which the Government has to consider is a manner of preventing a post-war re-concentration of Japanese in British Columbia. Everything possible is being done to encourage a settlement east of the Rockies during the war. At present Japanese persons cannot buy land, but consideration is being given to the possibility of relaxing this prohibition in order to encourage Japanese to settle in the new localities on a permanent basis. Just exactly how control will be exercised after the war to ensure that there is no wholesale movement back to British Columbia is a difficult problem, but it may be that the Japanese will not be as anxious to move as some people think, since they will be aware that the atmosphere in British Columbia will be more unfriendly toward them than elsewhere. I am not sure what the United States policy is with regard to land purchase and re-concentration problems.

I think the above are the principal points under examination here. Any information you can get will be useful.

926. W.L.M.K./Vol. 361

Mémorandum du sous-secrétaire dÉtat aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, November 4, 1944

Attached is a draft recommendation to Council to provide for the establishment of the commission to investigate Japanese persons in Canada.† It has been considered by the Departments of External Affairs, Labour, Justice, Mines and Resources (Immigration Branch), Secretary of State and by the Royal Canadian Mounted Police, and it is thought that it would be a satisfactory basis for the commission.

At the instance of the Minister of Justice, no section on remuneration or expenses for the commissioners has been included. He thought it would be better for this to be handled in a separate Order in Council since special provisions with regard to remuneration may be needed if judicial personnel are to be included in the commission.

The personnel of the commission will have to be chosen with a good deal of care, since their qualifications and sympathies will be subject to close scrutiny, and also because of the responsibility they will have to assume in the recommendations they make. Suggestions for membership have been received from a number of sources. As they may be helpful to you, I am listing them as follows:

Major-General W. W. Foster—at present Special Commissioner in the Northwest.

Lt.-Col. C. H. Hill, M.C.—Formerly Assistant Commissioner of the R.C.M.P. and O.C.[26] of R.C.M.P. in Vancouver, now retired. He is a veteran of the last war, and was A.P.M.[27] of the Canadian Corps in the present war. He is now acting as liaison officer between the Commissioner of Japanese Placement and the R.C.M.P. in Slocan, B.C., where the largest Japanese settlements are.

Mr. Justice Fairweather—of the Supreme Court of New Brunswick. There is not a great volume of litigation there, and he might be available. I understand that he is an active and clearheaded judge.

Judge McPhee—of the District Court of Moose Jaw, Saskatchewan.

Chief Justice Campbell—of Prince Edward Island.

Lt. Col. R. S. W. Fordham—at present Director of Prisoners of War Labour Projects in the Department of Labour. He was wounded in the last war; practised law at Niagara Falls; was made Commandant of one of the Internment Camps at the outbreak of the present war, and later was in charge of Refugee Camps.

Capt. R. L. Haig-Brown—He was Stipendiary Magistrate and Judge of the Juvenile Court at Campbell River, B.C., before the war. He is now a member of the Directorate of Personnel Services, Canadian Army (Active), was loaned to the R.C.M.P. for four months, and is highly recommended by Commissioner Wood.

Deputy Commissioner John Shirras—of the British Columbia Provincial Police. He has been concerned with the handling of the Japanese from the beginning, and is on the Advisory Committee to the Minister of Labour in dealing with them at present.

Dr. Lyall Hodgins—suggested by Mr. J. E. Jenkins of Vancouver who also recommended Shirras.

Mr. F. C. Blair—formerly Director of Immigration, now retired.

One portion of the recommendation which has lately been introduced and which has not been placed before the other Departments, with the exception of the Department of Labour, is that which excludes from further examination Japanese persons who have declared their desire to move to Japan and makes such declarations of purpose final. I think that this alteration should be made. The result will be to reduce the number of cases that have to be considered and to make readily effective a voluntary reduction in the Japanese population of this country. It seems a fair and reasonable step, and also one that will meet a number of critical enquiries that have been made.

I am informed by Collins, the Commissioner of Japanese Placement, that the R.C.M.P. have record of 3,275 Japanese persons who have declared their desire to go to Japan. He is of the opinion that a great many more, perhaps as high as 10,000, would make similar declarations if they were encouraged to do so by the publication of definite and generous terms on the basis of which they

[26]Officer Commanding.
[27]Assistant Provost Marshal.

would be assisted to leave Canada. If these declarations could be secured at an early date the work of the Commission would be simplified and we would be on the way to achieving a desirable reduction of the Japanese population. The best way to approach this might be along the following lines.

When the commission is established it would be desirable to have a statement released to the press which will help to remove some of the doubts now felt as to the feasibility of the task to be undertaken. The release could point out that there is more information available concerning persons of Japanese race in Canada than there is about any other section of the population. Part of this was secured at the registration of all Japanese persons early in the war. Later further particulars were secured when individuals were removed from the Protected Area, located in the interior camps or dispersed to places of employment in other Provinces. Further evidence is available in declarations of desire to serve in the Canadian forces, declarations of loyalty, conduct at various times, and so forth. It could be made clear that the commission has a difficult task, but has a good prospect of carrying it out with success. In addition, the press release could contain a statement of policy as to voluntary removal of Japanese. This should be published in the various Japanese settlements, and might be in the following terms:

"Any persons of Japanese race in Canada who may wish to proceed to Japan for residence after the war will be assisted to do so. In order that persons who have this possibility in mind may be in a position to reach a decision, the Government has decided on measures of assistance, to be implemented whenever transportation conditions make it feasible.

Japanese persons who voluntarily indicate a desire to move to Japan for residence will be given free transportation there for all members of their families, and will be allowed to take with them generous amounts of personal property and effects. They will also be allowed to sell such property as they are unable or do not wish to take; and will be free to take the proceeds with them, together with all other funds standing to their credit in Canada. In deserving cases certain resettlement grants may be given to assist persons or families in necessitous circumstances. Any persons who are British subjects or Canadian nationals will be divested of their status as such before leaving Canada.

All Japanese persons who wish to move to Japan for residence after the war should notify the Commissioner of Japanese Placement, or his local representative, in writing, as soon as possible. In the case of Japanese persons who are not in settlements, the notification may be given at any office of the R.C.M.P. in Canada.

It must be emphasized that the above terms apply to persons making voluntary declaration of desire to go to Japan. No decision has yet been reached as to the terms that will be made available to Japanese persons whose deportation is recommended by the Commission which will begin operation in the near future. Terms for such persons will probably be the subject of consideration and recommendation by the Commission itself."

As soon as the Commission is appointed, I think it will be desirable for it to meet with representatives of the Departments here in order to formulate plans for procedure and also to arrive at some tentative understanding as to the basis of decision and judgement having regard to the evidence available. It should be possible to have the enquiry under way shortly after the appointments are made.

One further point you may wish to consider is a suggestion by the Minister of Labour that it might be preferable to have the Commission report to him rather than to Council. I doubt if this would be desirable, since so many other Departments are closely interested, but you may wish to examine the proposal.

N. A. R[OBERTSON]

927. W.L.M.K./Vol. 361

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, December 21, 1944

On November 4th I sent to you a memorandum on the Commission to investigate Japanese persons in Canada, together with a draft Recommendation to Council,† which would establish and define the terms of reference of the Commission. I think you were of the view that action should be taken on this matter at an early date, and a development in United States policy with regard to the Japanese which was announced on Sunday makes this especially important.

General Pratt, Commander of the United States West Coast Area, announced on Sunday that the ban on Japanese returning to the West Coast is being lifted "because existing military necessity does not justify control over American citizens who have been determined not to be potentially dangerous." He stated that the return would be controlled and, in any case, officials of the War Relocation Authority have estimated that possibly not more than ten percent of the evacuated Japanese will wish to return to the Coast in view of the antipathy there is toward them on the part of many people and organizations in that area. General Pratt stated that no evacuees will be allowed to return until they have been "screened thoroughly" by a panel of about thirty officers, who will visit all W.R.A. centres, examine records and talk with the evacuees. He estimated that by January 2nd an exclusion list would have been established and that after that date all other Japanese persons would "resume their normal duties as citizens of the United States." He stated that "the information now available has led to the conclusion that the great majority of Japanese have severed all connections with Japan and are prepared to assume the responsibilities of their situation as Americans." For purposes of resettlement, Japanese persons receive transportation to their places of

destination, plus $25.00 cash. Those returning to the Coast will be similarly treated.

The general screening procedure now under way in the United States seems to be similar to, though less formal than, that contemplated here through the Commission. There have been organizations in the United States, just as there have been here, that have attempted to have a policy of total exclusion applied after the war, but the United States authorities are proceeding on the assumption that the elimination of those proven disloyal will be sufficient to enable a general settlement of the remainder.

By coincidence, the United States Supreme Court handed down a decision on Monday (December 18th) on the same general subject of Japanese. Deciding a case before them, they ruled unanimously that Japanese-Americans of unquestioned loyalty to the United States could not be detained in war relocation centres. The judgment stated that "Loyalty is a matter of the heart and mind, not of race, creed, or colour."

Secretary Ickes,[28] under whom the W.R.A. comes, has announced that they hope to have all W.R.A. centres closed within a year. At present, out of 110,000 evacuees, 35,000 have been relocated in other parts of the United States.

18,700 Japanese are at present held in a special camp in the United States as disloyal or having expressed a desire to return to Japan. This camp is expected to be transferred to the Department of Justice. No indication is given of plans for deportation or other disposition.

The Minister of Labour is anxious to proceed with further disposition of the Japanese problem here and, under date of December 15th, he wrote to Mr. Heeney, enclosing a memorandum† asking approval by Council on the following points:

(a) continuation by External Affairs of attempts to negotiate exchanges of nationals with Japan;

(b) authorization to the Minister of Labour to give assurances to persons of Japanese race making voluntary application for repatriation to Japan that they will be allowed to take the value of their property with them;

(c) authorization for the Custodian to give receipts for property left in Canada to Japanese repatriated as a result of exchanges negotiated during the war;

(d) authorization for the Minister of Labour to segregate Japanese who are to be repatriated from those who are to remain here;

(e) approval in principle of the transfer of authority over land purchases by Japanese from the Minister of Justice to the Minister of Labour; and

(f) authorization for the Minister of Labour to give assurances to Provincial Governments of Federal responsibility for indigence of Japanese moved into any Province, the assurance to cover a period of ten years.

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[28] Secrétaire de l'intérieur des États-Unis.
Secretary of the Interior of the United States.

A suggestion for a Government statement on point (b) was included in my memorandum to you of November 4th. The approval sought here would be compatible with it. Points (e) and (f) are desirable, I think, if the resettlement policy is to succeed. Points (a), (c) and (d) are largely administrative and I think there is no objection to them.

I have told Mr. Heeney that I think it would be desirable to have the Minister of Labour's memorandum held up until you are ready to proceed with the Recommendation covering the Commission, but the United States action has made the Department of Labour especially anxious to proceed and they would clearly like to have their recommendations considered as soon as possible, whether the Commission is delayed or not.

N. A. R[OBERTSON]

928. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET Ottawa, February 2, 1945

...

REPATRIATION AND RE-SETTLEMENT OF PERSONS OF JAPANESE RACE[29]

6. THE MINISTER OF LABOUR said that his department were anxious to obtain authority to take certain administrative action in advance of the appointment of the Commission which would deal finally with the segregation of persons in Canada of Japanese race.

It was felt that, in present circumstances, steps could profitably be taken to segregate those who would accept voluntary repatriation to Japan and, at the same time, to encourage and facilitate the re-settlement of loyal Japanese.

With this in view, a memorandum describing the policies proposed had been prepared by the Department of Labour after consultation with External Affairs, the R.C.M. Police and the Department of Justice. If these policies were approved the department would be able to proceed at once with administrative action along the lines indicated.

(Letters, Deputy Minister to the Secretary, Dec. 15, 1944 and Minister to the Secretary, Jan. 17, 1945).

7. THE PRIME MINISTER said that the desirability of early action along the lines suggested by the Minister had been drawn to his attention by the Under-

[29]La note suivante était dans l'original:
The following note was in the original:
Note- (C.W.C. Minutes, Apr. 19, 1944, pages 6-7)[30]

[30]Voir le document 923.
See Document 923.

Secretary of State for External Affairs in relation to the appointment of the proposed Commission.

(External Affairs memorandum to the Prime Minister, Dec. 21, 1944).

8. THE SECRETARY read the memorandum referred to by the Minister of Labour.

The memorandum requested the approval of the government on the following points:

(a) continuation by External Affairs of attempts to negotiate exchanges of nationals with Japan;

(b) authorization of the Minister of Labour to give assurances to persons of Japanese race making voluntary application for repatriation to Japan that they will be allowed to take the value of their property with them;

(c) authorization for the Custodian to give receipts for property left in Canada to Japanese repatriated as a result of exchanges negotiated during the war;

(d) authorization for the Minister of Labour to segregate Japanese who are to be repatriated from those who are to remain here;

(e) consideration of the desirability of transferring authority over land purchases by Japanese from the Minister of Justice to the Minister of Labour; and

(f) authorization for the Minister of Labour to give assurances to Provincial governments of Federal responsibility for the costs of maintenance and medical care of indigent Japanese moved into the Provinces, such assurances to cover a period of ten years.

(Memorandum, Minister of Labour to Privy Council, Dec. 15, 1944).†

9. MR. KING, commenting upon the memorandum, observed that reservation should be made of the government's recourse against Japan for reimbursement of any expenditures involved in repatriation of Canadian Japanese.

As to the proposal for transfer of licensing authority for holding property, etc., this was a matter for consideration by the Minister of Justice.

10. THE CABINET, after discussion, approved the memorandum submitted by the Minister of Labour on the understanding that appropriate reservation be made of Canadian rights to reimbursement by Japan of any repatriation expenses, and agreed that, for the present, appointment of the proposed Commission be deferred.

...

929. DEA/104s

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

DESPATCH 199 Ottawa, February 12, 1945

SECRET

Sir,

I have the honour to refer to previous correspondence concerning the treatment of persons of Japanese race in Canada and in the United States and to inform you that Cabinet has now given approval to certain further measures to be taken in connection with re-settlement of the Japanese and in preparation for the post-war movement to Japan of such Japanese as will not remain permanently in this country.

As you know, plans have been under consideration for some time for the appointment of a commission to investigate persons of Japanese race in this country with a view to deciding which should be allowed to remain here after the war and which should be required to be sent to Japan. For your confidential information, it has been decided to defer appointment of the commission for the present. In the interim, however, there are certain measures that can be taken that will prepare the way for the commission and facilitate or reduce its work when it does come into operation. Some of these measures will be put into effect as a result of the Cabinet decisions.

Cabinet approved the continuance of efforts to negotiate with the Japanese Government exchanges of nationals. It also approved action by the Department of Labour to segregate persons of Japanese race who have been accepted for repatriation to Japan in such exchanges, or who have indicated a desire to go to Japan after the war. Such segregation on a voluntary basis will reduce the number of cases that will have to be considered by the commission, since it is probable that its terms of reference will provide that voluntary applications for repatriation to Japan will be considered to be final and only those Japanese persons who have indicated a desire to remain in Canada, or who have not given any definite indication of any desire, will be subject to examination.

To encourage voluntary applications to go to Japan and also to enable persons of Japanese race to know on what basis they will be allowed to go there, the Minister of Labour has been authorized to give assurance to voluntary applicants that they can take with them any proceeds realized from their property in Canada. In the case of those who are transferred during the war, receipts will be given for the value of their property and they will be allowed to make the actual transfer after the war. The Minister is also authorized to state that free passage will be guaranteed by the Canadian Government for repatriated persons.

To assist in the re-settlement of the Japanese persons who will be remaining in this country, the Minister of Labour has been authorized to give assurances to provincial governments that the Government of Canada will be prepared to reimburse any province or municipality for the cost of necessary maintenance, hospitalization or medical services furnished to indigent persons of the Japanese race who have been re-settled since the outbreak of war from protected areas in British Columbia. The assurances are not to extend beyond ten years from January 1, 1945. Further consideration may also be given shortly to the desirability of relaxing somewhat the present ban on acquisition of real property by persons of Japanese race. The capacity so to acquire real property is closely related to the problem of assuring that the Japanese will not drift back after the war to British Columbia to renew the pre-war concentration there.

Since the United States authorities are concerned with the same sort of problem there that we have here, they might wish to be informed on a confidential basis of the decisions that have now been taken as outlined above with regard to voluntary repatriation and re-settlement.

We have been interested here to note the steps that have been taken by the United States authorities, particularly in allowing Japanese Americans to return to the Pacific Coast area. It would be very helpful if we could receive such information as you may be able to secure about the success of the present United States program and about their plans for future disposition of the problem.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

930. DEA/104s

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH 555 Ottawa, April 19, 1945

Sir,

I have the honour to refer to your despatch No. 852 of March 31 under cover of which you forwarded a copy of the letter by Mr. Gufler[31] under date of March 30,† concerning the United States policy with regard to Japanese persons. The letter contains a great deal of information that is most interesting and we are very glad to have it. Copies are being sent on to the Director of Immigraton, the Under-Secretary of State (who will be interested in the

[31]Chef adjoint, la direction des problèmes de guerre spéciaux, département d'État des États-Unis.
Assistant Chief, Special War Problems Division, Department of State of United States.

provisions with regard to divestment of United States citizenship) and the Deputy Minister of Labour, who has charge of general administration with regard to Japanese persons in this country. It would be very helpful if three or four additional copies could be secured to the enclosures which were sent with Mr. Gufler's letter.

I was interested to noted that although there are differences in the policies being followed in the United States and Canada, the proportion of resettlement that has been achieved there among the Japanese removed from the protected areas is approximately the same - one-third in each case. About 7,500 Japanese in Canada out of a total of some 23,000 who were previously settled in British Columbia are now located elsewhere in the country.

I do not think that there are any particular points that need to be discussed at this stage with the officials of the War Relocation Authority. When further steps are taken with regard to the Canadian policy, we shall inform you and possibly then there will be questions that it might be well to have examined with the United States authorities.

I have etc.

J. E. READ
for the Secretary of State
for External Affairs

931. PCO/Vol. 35

Mémorandum du ministère du Travail

Memorandum by Department of Labour

SECRET [n.d.]

MEMORANDUM ON PROGRAMME FOR REPATRIATION AND RELOCATION OF PERSONS OF JAPANESE RACE IN CANADA

A. *Introduction*

In view of the sudden end of the war with Japan, it is necessary that immediate decisions on future policy re persons of Japanese race in Canada be made and given effect to by the Government.

While returns from the survey made of the Japanese in Canada who are recording declarations of intention to repatriate to Japan are not complete, a total of nine to ten thousand persons (including in the count their dependents under sixteen years of age) have so signified. While this group are mainly Japanese nationals with dependent Canadian-born children, there are included therein a considerable number of naturalized Japanese Canadians and Canadian-born persons over sixteen years of age. A limited number of these persons have since signified their desire to revoke or withdraw their declaration for repatriation. Probably many more may do likewise subsequently if they believe such revocation will be effective.

It is important that repatriation of persons to be returned to Japan should be proceeded with as soon as possible: firstly because the disposition of this group will, it is believed, enable the Government to undertake thereafter the early removal of restrictions on the remaining Japanese in this country who will be chiefly Canadians by birth or naturalization with substantial public support for so doing; secondly because the existing leases which the Department of Labour holds on the settlement properties in British Columbia, where ten or eleven thousand Japanese are presently housed, expire six months after the end of the war and it is therefore necessary to dispose of the great majority of the people in these settlements before that time if possible.

B. *Policy for Repatriation of Japanese Who Have Signed for Repatriation*

The following measures are proposed for repatriation or deportation of persons of Japanese race to Japan who have signed declarations for repatriation:

(1) All declarations made by Japanese nationals and naturalized Canadian Japanese for repatriation to Japan to be treated as final and as including dependent children, up to at least sixteen years of age, of the declarant father—or mother if father deceased.

(2) Where Canadian-born Japanese have declared for repatriation but have filed within a specified time limit (possibly the date of the Japanese surrender in August 1945) applications for revocation of their declarations for repatriation, such applications may be reviewed by the Loyalty Commission. The Commission, in making its inquiry, may recommend that withdrawal of the declaration for repatriation be permitted or may recommend to the contrary and for the consequent repatriation of the applicant to Japan on the grounds of disloyalty to Canada during the war. If application for revocation not filed within the specified time limit, the declaration for repatriation to be regarded as final and irrevocable.

(3) Persons who have declared for repatriation shall be liable for deportation and an order for deportation may be made, if necessary, by the responsible Minister.

(4) Repatriation or deportation to Japan of persons who have applied for repatriation to be undertaken under the direction of the Minister of Labour with the assistance of the Commissioner of the Royal Canadian Mounted Police at the earliest possible date with the objective of completing such repatriation from Canada by December first.

(5) To this end the Minister of Labour to be given necessary authority by Order-in-Council under the War Measures Act to proceed with repatriation or deportation, if necessary, and the Department of External Affairs to undertake immediately the completion of arrangements with the Japanese Government to accept repatriates and deportees of Japanese race from Canada.

(6) To the same end the Departments of Government responsible for allocation of shipping—and including naval services—to be asked to arrange for high priority for necessary shipping space prior to repatriation and services

of personnel of the Department of National Defence to be available if necessary for transport duty and, to the same end, the Immigration Department to be asked to give assistance.

(7) *Financial Provision for Repatriates*

Repatriates and deportees to be given free transportation for themselves and their effects and permitted to transfer their funds to Japan by arrangements to be made by the Foreign Exchange Control Board and the Custodian of Enemy Property.

(8) The Custodian of Enemy Property to be authorized to hold funds and issue receipts therefor pending transfer and, at the request of the repatriate, to take over any real property of these repatriated persons in instances where such funds or property cannot be immediately transferred or realized on—as the case may be—upon or prior to repatriation, and to arrange for transfer of such funds to the repatriates as soon as possible.

(9) Persons repatriated or deported upon their own declaration—or as part of a general group—as distinguished from persons deported for cause, to be provided with a maintenance grant upon repatriation of Two Hundred Dollars each plus Fifty Dollars for dependent children which will be charged against their own funds for transfer in this country insofar as these extend.

(10) *Deportation of Japanese Nationals*

All Japanese nationals who are not otherwise subject to deportation by reason of having declared for repatriation to be subject to deportation and to be deported unless, upon the application of any national made within a prescribed time, the Loyalty Commission recommend that he be permitted to stay in Canada upon compassionate grounds.

(11) *Japanese veterans of the last War and this War*

All restrictions relative to movement and property purchase to be removed in the case of veterans of the last war and this war and their dependents.

(12) *Establishment of Loyalty Commission*

A Loyalty Commission to be established at once to review

(a) Applications by Canadian-born persons of Japanese race who apply to revoke declarations previously made by them for repatriation to Japan and cases of alleged disloyalty as, for example, interned men and to have power of final decision to recommend for deportation to Japan.

(b) Cases of Canadian-born persons of Japanese race, other than internees, whose record indicated a disloyal attitude to Canada during the war. The Commission may recommend deportation and loss of citizenship.

(c) Cases of naturalized Canadians of Japanese race who have not applied to go to Japan but whose records indicate a disloyal attitude to Canada during the war. The Commission to have the power of final decision in recommending revocation of naturalization and deportation of such persons.

(d) Cases of all Japanese nationals who have not applied for repatriation and who apply to stay in Canada. The Commission to have power to recommend that any such person may stay in Canada on compassionate grounds.

In view of the fact that some four hundred and twenty Japanese, including Japanese nationals, naturalized Canadians and Canadian-born Japanese, are being retained in internment at the present time under P.C. 5637 of August 16, 1945, it is necessary that the Loyalty Commission should be established at an early date in order to initiate early consideration of these persons with a view either to deportation or release.

(13) *Revocation of Canadian Citizenship Rights*

Provision to be made by Order-in-Council under the War Measures Act to divest Canadian citizens, either by birth or naturalization, of Japanese race of their British citizenship rights in Canada and their Canadian national status upon either repatriation or deportation in those instances in which this is not already provided for in Order-in-Council P.C. 10773 of November 26, 1942. This could be framed in form similar to P.C. 10773 as being applicable to repatriates or deportees to countries which have been at war with Canada rather than as limited only to persons of Japanese race.

Comments

(1) The policy proposals outlined above which may be considered as open to debate are:

(a) Should a naturalized Canadian who wants to revoke his declaration for repatriation be denied right of review by the Loyalty Commission as is proposed?

(b) Should a Canadian-born Japanese be deprived of Canadian citizenship and sent to Japan except upon his own request for repatriation, even if guilty of disloyal acts and interned during the war, as is proposed?

(c) Should Japanese nationals as a group and subject to exceptions on compassionate grounds, be deported against their own election to stay in Canada as proposed rather than limiting deportation to those who have shown cause for deportation on grounds of disloyal attitude, lack of co-operation with Government authorities during the war, or as otherwise undesirable?

(2) The Loyalty Commission when established, if the proposals outlined above are approved, will have a large volume of cases to dispose of as follows:

(a) Cases of interned Japanese and other cases of alleged disloyalty of naturalized or Canadian-born persons.

(b) All applications for revocation of declarations for repatriation by Canadian-born Japanese—not possible to estimate as to number.

(c) Applications to stay in Canada by Japanese nationals who have not applied for repatriation but who are liable for deportation. Assuming that they all applied, this would involve from 2400-3000 applications to dispose of.

Except in the case of the internees, the evidence available to the Commission inquiring into disloyalty of Canadian-born Japanese or naturalized persons will be largely limited to (1) a paper record built up from intercepted letters, unless acts of non co-operation with the police or the Department of Labour administrative officers re employment or controls orders are regarded as such, (2) declarations for repatriation to Japan even though subsequently revoked.

This would apply also in the case of Japanese nationals if deportation is to be limited to cases where cause is shown.

Legal Machinery Necessary to Carry out the Foregoing

1. An Order-in-Council under the War Measures Act providing (1) that all declarations made for repatriation are deemed final and irrevocable subject to right of review by Loyalty Commission in certain types of cases; (2) providing that persons declaring for repatriation are liable to deportation and giving necessary powers for deportation and prohibiting later entry to Canada except with the consent of the Immigration authorities.

2. An Order-in-Council under the War Measures Act to supplement P.C. 10773 of November 26, 1942, in providing for revocation of citizenship rights in Canada of naturalized Canadians or Canadian-born persons of Japanese race who are ordered deported; (3) providing for transfer of funds and payment of grant.

3. An Order-in-Council establishing Loyalty Commission, defining its duties and clothing it with authority to make final recommendations as to deportation of persons of Japanese race in specified classes and revocation of citizenship rights of such persons.

4. Order-in-Council No. 1 above will also include provision for deportation of all Japanese nationals who are not being repatriated at their own request unless recommendation to the contrary is made by the Loyalty Commission.

The Legal Position

Assuming that the foregoing policy proposals are approved, the Department of Justice should be asked to consider whether they may be legally implemented under the War Measures Act. The proposals requiring particular examination are those for the deportation and coincident revocation of British citizenship and Canadian national rights of Canadian-born persons of Japanese race.

C. *Future Policy Covering Re-establishment of Persons of Japanese Race Remaining in Canada*

Assuming that repatriation of Japanese to Japan is carried through on the scale now contemplated, the great majority of persons of Japanese race remaining in Canada will be Canadian citizens by birth or naturalization. It seems obvious that the existing wartime restrictions over movement and purchase of property as applicable to this group cannot be maintained for long in the face of public opinion and without the raising of considerable legal objections thereto nor without the necessity of fairly extensive legal enforcement proceedings. The removal of Selective Service controls, which have to date assisted greatly in the control over the movement of Japanese without the necessity of relying on the special Japanese regulations, will of course make it necessary to rely in the near future entirely on the special Japanese controls and will probably increase the difficulties of enforcement. Moreover, in the repeal of the Defence of Canada Regulations relating to protected areas, a

Government decision will have to be made with respect to returning Japanese to the West Coast and the enforcement of any restrictive policy will have to be carried out under special orders issued relating to the Japanese. It is recommended that the Minister of Labour be given authority to prohibit or limit movement to any area.

As redistribution of Japanese on a permanent basis can only be carried through if the Japanese are permitted to purchase property and to go into business in the areas where they are presently located, it is important that the existing restrictions on property purchase and leases should be relaxed as soon as possible.

The foregoing considerations make necessary early action on the part of the Dominion Government to dispose of the existing restrictive agreements with the provinces relating to the settlement of Japanese therein and the agreement of the provinces to co-operate in the permanent relocation of Japanese remaining in this country.

The following proposals are therefore advanced for consideration

(1) Rather than attempt initially to deal with the provinces individually, the Government to make a statement at an early date outlining the repatriation programme and advising that, while the Government proposes to retain for a reasonable time adequate controls over the movement of Japanese persons in Canada to prevent an unreasonable number of Japanese from settling in any one community and to implement the declared Government policy of relocation across Canada, it looks forward to removing other restrictions and discriminatory legislation at an early date. To enable the Government to carry out the policy, the provinces are invited to co-operate with the Dominion Government by the revocation of any existing restrictive agreements entered into during the war period and by agreeing to accept reasonable numbers of Japanese without discrimination in matters of education or business activities. The Dominion Government will retain movement controls temporarily with a view to avoiding undue concentration of Japanese in any area.

(2) The Government statement to include, also, an undertaking on the part of the Dominion to reimburse the provinces for cash expenditures made for maintenance and welfare (including medical services and old age pensions) made by the province over the next ten-year period.

(3) It is not considered that the Dominion Government could agree to any proposals for redistribution on a provincial quota basis as this would be impractical in the matter of resettlement and could not be enforced.

(4) Following upon such statement, letter to go from the Prime Minister to each Provincial Premier inviting acceptance of and co-operation in implementing Government policy as so stated or the matter to be discussed at the November meeting of the Co-ordinating Committee of the Dominion-Provincial Conference.

(5) An attitude on the part of the British Columbia Government refusing acceptance of any evacuated persons of the Japanese race will probably result

in a similar attitude being taken by Alberta and possibly some other interested provinces.

932. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET Ottawa, September 5, 1945

...

REPATRIATION AND RE-LOCATION OF PERSONS OF JAPANESE RACE

13. THE SECRETARY submitted a report from the Department of Labour setting out a proposed programme for repatriation and re-location in Canada of persons of Japanese race.

The report contained recommendations concerning financial provision for repatriation, deportation of Japanese nationals, treatment of Japanese war veterans, establishment of a special 'loyalty' commission of review, and policy with respect to redistribution of Japanese in Canada.

Copies of the report had been circulated.

(Departmental memorandum, undated—Cabinet Document No. 47).

14. THE CABINET, after discussion, agreed that the proposals of the Department of Labour be referred for consideration and report to a special committee consisting of the Minister of Labour (Chairman), the Ministers of National Defence and Veterans Affairs and the Solicitor General, with the Under-Secretary of State for External Affairs.

...

933. DEA/104s

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3366 Ottawa, September 17, 1945

SECRET. Please ask United States authorities to transmit the following message by the most appropriate channel from Canadian Government to General MacArthur as Supreme Commander for the Allied Powers. Begins:

There are approximately 24,000 people of Japanese origin now resident in Canada. About 10,000 (including dependents) have expressed a desire to be repatriated to Japan. There are also about 500 Japanese nationals now interned whom it will probably be desired to deport. At a later date it is probable that there will be some additional deportees and voluntary repatriates who will also

have to be removed. The Canadian Government is anxious to proceed with repatriation and deportation as soon as this can be done without causing you embarrassment. It is difficult to proceed with redistribution and relaxation of control over Japanese remaining in Canada until repatriates and deportees are removed.

It is proposed that repatriates and deportees from Canada should be given free transportation for themselves and their effects and provided with a maintenance grant upon repatriation sufficient to take care of their immediate needs, also that they be permitted to transfer remainder of their funds to Japan.

You will appreciate the desire of the Canadian Government to proceed with these plans as soon as possible. The Canadian Government would be grateful for your advice as to the earliest date on which you would be prepared to have these people arrive in Japan. Ends.

For your own information the whole difficult subject of repatriation and relocation of persons of Japanese race is under consideration by a special Cabinet Committee. It would obviously simplify the problem if we were able to proceed immediately to return to Japan the elements referred to in the above message and we would be obliged if you would let us know what action is contemplated by U.S. authorities in this connection. It occurs to us that if the United States have it in mind to repatriate any considerable numbers of disloyal Japanese simultaneous arrangements might be made which might expedite and simplify the problems involved.

934. DEA/104s

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-4869 Washington, September 18, 1945

SECRET. Your EX-3366, September 17th, repatriation of Japanese from Canada.

1. A note was sent today to the State Department requesting them to forward to General MacArthur the message contained in your teletype under reference.

2. I discussed this matter informally with Mr. Clattenburg of the State Department, who informed me that they have recently sent a telegram to the American Consul General in Manila asking him to discuss informally with General MacArthur the repatriation of persons of Japanese origin from the United States to Japan. No reply has yet been received from Manila. The State Department today sent a letter to the War Department outlining the problem and asking the War Department to take up the question with General MacArthur.

3. The State Department is very anxious to arrange for the early return to Japan of fifteen to twenty thousand Japanese now in the United States. They fear, however, that, even if they secure the approval of the military authorities in Japan, there will be considerable delay in carrying out the programme. The difficulty is caused by the fact that very many applications are being received from Japanese to cancel their previous applications for repatriation. Such letters of retraction are now being received at the rate of from 300 to 500 daily. The State Department would prefer to ignore these applications for cancellation, but they are waiting for a ruling from the Department of Justice. Mr. Clattenburg thinks it highly likely that the Department of Justice will rule that every individual Japanese slated for deportation has a right to recourse to law. If this happens, it will obviously delay the completion of the repatriation programme to a considerable extent.

4. The State Department would be very grateful to be informed what policy the Canadian Government proposes to take in respect to those Japanese in Canada who have signed applications or consent forms for repatriation to Japan and have since asked to have such applications cancelled. The State Department would also appreciate any information available concerning the organization and terms of reference of the proposed Loyalty Tribunal in Canada.

935. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET Ottawa, September 19, 1945

...

REPATRIATION AND RE-LOCATION OF PERSONS OF JAPANESE RACE

5. THE SECRETARY submitted the report of the special Committee appointed by the Cabinet at the meeting of September 5th to consider proposals put forward by the Department of Labour (Cabinet Document 47).

The Cabinet Committee recommended to the Cabinet as follows:

"(1) that the Department of External Affairs communicate immediately with the Supreme Allied Commander in Japan (General MacArthur), through the appropriate channel, stating that the government wished to repatriate, as soon as possible, some 10,000 Japanese and enquiring how soon conditions would be such that this movement could be made;

(2) that upon receipt of information from the Supreme Allied Commander in reply to the telegram mentioned above, immediate steps be taken to effect the repatriation of:

(a) all persons of Japanese race who had requested repatriation, with the exception of Canadian citizens who had made application for revocation of their request for repatriation prior to midnight, September 1st, 1945; and

(b) all persons of Japanese race who were interned under the Defence of Canada Regulations;

(3) that immediate action be taken to revoke the status as Canadian citizens and British subjects of all persons of Japanese race who would be repatriated under the procedure recommended in the preceding paragraph;

(4) that the proposals for financial provision for repatriates set out in paragraphs (7), (8) and (9) of the memorandum submitted by the Department of Labour be approved; and

(5) that the remaining questions dealt with in the said memorandum, including proposals for the establishment and procedure of a "Loyalty Commission" and re-location of Japanese in Canada be deferred for further consideration."

The recommendations of the Cabinet Committee had been circulated.

(Secretary's memorandum, Sept. 18—Cabinet Document 65).

6. MR. HEENEY added that, with the approval of the Prime Minister, a communication in the sense indicated in paragraph (1) of the report had already been sent to General MacArthur, and Mr. King had now indicated his concurrence in the other recommendations of the Cabinet Committee.

7. THE CABINET, after discussion, approved the recommendations of the special Cabinet Committee and agreed that action be taken accordingly.

...

936. DEA/104s

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-3435 Ottawa, September 26, 1945

SECRET. Your WA-4869, September 18th, repatriation of Japanese from Canada:

1. With particular reference to your paragraph 4, position is as follows:

(a) Japanese nationals who have not been interned and who have requested cancellation of their applications for repatriation will be repatriated notwithstanding their change of mind;

(b) Canadian citizens of Japanese race who have similarly requested cancellation of their applications for repatriation will be repatriated unless request for cancellation was received before September 1st;

(c) All persons of Japanese race who were interned, whether Canadian citizens or not, will be deported regardless of whether or not they have opted to remain in Canada.

2. The Canadian government also proposes to take action to revoke the status as Canadian citizens and British subjects of all persons of Japanese race subject to repatriation under above procedure.

3. No decision has yet been made regarding the establishment and terms of reference of a loyalty commission and it may be some time yet before this matter is advanced further.

4. There is no objection to your informing the State Department, confidentially, of the situation as described in the three preceding paragraphs. For your own guidance we should point out that it is unlikely that government policy will be settled for some [little time] on the more controversial issues. These include the scope of the duties of the proposed loyalty commission, the rights of Canadian citizens of Japanese origin not covered by the repatriation decisions, and the steps to be taken for location of remaining persons of Japanese race in this country.

5. We are anxious to have some word from General MacArthur as soon as possible and would like to know when this may be anticipated.

937. DEA/104s

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5005 Washington, September 27, 1945

Your EX-3435 of September 26th and our WA-4869, September 18th, repatriation of Japanese from Canada.

1. Your information respecting Canadian policy delivered to State Department today.

2. Reference paragraph 2 my WA-4869. MacArthur has just replied that consideration is being given to accepting Japanese from United States, but the date of such acceptance depends on a review of the shipping requirements to the Far East for replacements for personnel now serving in the Pacific theatre.

3. On receipt of MacArthur's reply, State Department have written War Department enclosing copy of MacArthur's reply and urging early repatriation. They are particularly interested in repatriating the group of diplomats and officials captured in Europe, amongst whom there are one or two listed as war criminals. At the same time State Department delivered your message for onward transmission and pointed out to War Department that Japanese held by Canada should be accorded same priority as those held in the United States.

4. Reference paragraph 3 my WA-4869. No ruling yet received from Department of Justice.

938. DEA/104s

Le sous-secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur aux États-Unis

Acting Under-Secretary of State for External Affairs to Ambassador in United States

CONFIDENTIAL Ottawa, October 27, 1945

Dear Mr. Pearson,

With reference to your message WA-5323 of October 15th† and earlier correspondence concerning the movement to Japan of certain persons of Japanese race now in Canada, the Deputy Minister of Labour has today expressed to me his concern over the failure to make progress in arranging for the commencement of this movement. He asked me whether there was any other method whereby we could stimulate the receipt of an answer to the request which we have already addressed through you to the Supreme Allied Commander. You passed this to the State Department in your note No. 323 of September 18th,† but the only direct indication of General MacArthur's views that we have received is that given in your message WA-5005 of September 27th, which referred solely to shipping requirements for replacements for personnel serving in the Pacific theatre as having the first priority in any movement of persons to Japan.

In later messages† you have informed us that the State Department have not been able to secure any reply from General MacArthur about arrangements for moving persons of Japanese race from the United States, and you have mentioned that they are particularly interested in repatriating Japanese diplomats and officials captured in Europe.

The position here is that we can begin the movement of the persons concerned on short notice, and we are ready to do so at any time. If shipping is the obstacle rather than arrangements for reception in Japan and related problems, we should be glad to be informed, since we might be able to arrange for the transportation of a portion of the group in Canada on Canadian ships, possibly on R.C.N. vessels. It is felt here that our arrangements may be in a more advanced stage than those in the United States, since we have a fairly large group about whose repatriation there is no question, the members of which could be moved to the port of departure on short notice. It is felt that the problem is likely to become more difficult to deal with the longer their movement is delayed, and that if a prompt start can be made we shall go a long way towards settling an old and bitter cause of controversy in Canada.

For your information, I should add that the Government is receiving a large number of appeals on behalf, particularly, of persons of Japanese origin who possess Canadian nationality and requested their movement to Japan. Some of these have asked for cancellation of their applications to go to Japan, and the pressure on the Government is really limited to making allowance for a change of mind in such cases. Quite apart from them, however, as I have said above, there remains a large group about whose return to Japan there is no question.

I should be glad to receive, as soon as possible, any suggestions which you can offer as to the methods whereby more rapid progress could be made in starting the movement. The channel whereby our request was transmitted to General MacArthur has not produced results, but I am not aware of any alternative channel which would be likely to be more productive. We should like particularly to know whether transportation is the real obstacle, so that we may consider the possibility of making arrangements ourselves.

Yours sincerely,

H. H. WRONG

939. DEA/104s

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-5545 Washington, October 29, 1945

Further my WA-5323 of October 15th† and in reply to Mr. Wrong's letter to Mr. Pearson of October 27th respecting repatriation to Japan of persons of Japanese race in Canada. I have been advised this morning by State Department that a reply has been received from General MacArthur.

2. The reply is to the effect that he authorizes the immediate repatriation of some 160 special cases now held in the United States. In addition, repatriation of all Japanese now held in the United States and Canada who desire to return, or whose return is desired by the two Governments, is authorized subject only to provision of shipping.

3. State Department are proceeding immediately with the repatriation of the special cases and intend to hold a meeting within the next week to review the situation respecting the balance of the persons to be repatriated. A representative of the Embassy will attend the meeting and I would appreciate the following:

(a) Most recent figures on the number of Japanese in Canada who will be involved;

(b) Whether my representative may offer to assist by the provision of transportation, and, if so, to what extent.

940. DEA/104s

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3841 Ottawa, November 5, 1945

IMMEDIATE. Reference your WA-5628 of November 2[†] repatriation of persons of Japanese race in Canada.

At a meeting of a Cabinet sub-committee this morning the Japanese problem was discussed. Your teletype was interpreted to mean that the U.S. authorities would be prepared to make available to us a certain amount of space on vessels at their disposal for movement of some persons to Japan. This will be of great assistance, as we have not, at present, any vessels available that could be used for this purpose. In order to have a clear understanding of shipping arrangements, possible allocation of space, and other considerations it was decided to have a representative of the Department of Labour go to Washington, if possible to attend the meeting referred to in your WA-5545 of October 29. Please inform me as soon as possible when this meeting is to be held in order that arrangements can be made.

For your information, other decisions taken this morning were:

(a) To have an order in council passed authorizing the Minister of Labour to provide transportation, maintenance grants, and facilities for departure for all Japanese prepared to leave voluntarily for Japan.

(b) To select the above group and have them ready for departure as soon as transportation is available. It is hoped that it might prove possible to move some within the next two or three weeks.

(c) To appoint a committee from Justice, Labour, External Affairs and State to prepare recommendations to council for revocation of nationality and deportation of persons who are to be sent to Japan other than those coming under (b)(supra).

It will be possible for the Department of Labour representative who is to go to Washington to give some of the information sought in your teletype under reference. The remainder can be prepared as soon as plans are known more definitely.

941. DEA/104s

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

URGENT Ottawa, December 14, 1945

JAPANESE DEPORTATION POLICY

Your statement of Government policy in the House of Commons in August, 1944,[32] contemplated the deportation to Japan, after the war, of all persons of Japanese racial origin (whether they were Japanese nationals, naturalized Canadians of Japanese birth, or native born Canadians of Japanese racial origin) whose behaviour during the war years could be considered as disloyal. At the same time it was certainly implied that all other persons of Japanese racial origin who had behaved correctly during the war years would be permitted to remain in Canada, where it was hoped that they would be free from any form of political or legal discrimination.

This statement represented a compromise between a very vocal demand for the total expulsion of all persons of Japanese racial origin, regardless of conduct or loyalty, and the less articulate feeling in the country that flagrant racial discrimination was one of the things the war was being fought against.

Since this general statement of Government policy was made, we have had a voluntary poll of all persons of Japanese racial origin in Canada, which resulted in a very large proportion expressing the wish to be repatriated to Japan at the close of the war. Steps are actively under way to effect this repatriation. No problem arises in respect of the Japanese nationals, nor in respect of naturalized persons of Japanese origin who voluntarily expressed a wish for repatriation to an enemy country during the war. Native born Canadians of Japanese race who had opted for repatriation to Japan have been given, by Cabinet decision, the right to withdraw their application to be sent to Japan.

The Loyalty Commission, which it is proposed to set up to complete the work of repatriation, will have a free hand to recommend the deportation of all Japanese nationals and of all naturalized persons of Japanese origin to whose behaviour during the war years exception could be taken. The question, however, on which the Cabinet have been divided is whether or not the Loyalty Commission should be empowered to denationalize and deport native born Canadians of Japanese origin. The policy indicated in August, 1944, was that such persons could be deported. There is much stronger feeling now that native born Canadians, regardless of origin, should not be deported to another country. The question, therefore, is whether the Government stands exactly on the position it outlined eighteen months ago or whether it should modify that

[32]Voir Canada, Chambre des Communes, *Débats*, 1944, volume VI, pp. 6127-30.
See Canada, House of Commons, *Debates*, 1944, Volume VI, pp. 5915-7.

position by excluding native born persons from its scope. In your statement of general Government policy in August, 1944, you said "There may also be modifications of policy which further investigation will show to be necessary." The question, therefore, is really whether this is a modification which should be made in the light of conditions now obtaining.

A second question of general policy arising out of the recommendations to Council regarding the repatriation and denationalizing of Japanese Canadians is whether or not decisions in respect of denaturalization and deportation made on grounds of disloyal behaviour during the war should apply only to persons of Japanese origin. I feel strongly that such Orders should, whenever possible, be put in general terms and be applicable to enemy aliens or naturalized Canadians whose sympathies with Naziism and Fascism were revealed during the war years.

As far as I can see, there is no possibility of taking a completely consistent, reasonable and humane line on these matters. We should, however, avoid purely racial discrimination as much as we can without at the same time unduly disturbing other alien elements in the population. I think this might be achieved by

(a) excluding all native born from denationalization and deportation proceedings, other than volunteers; and

(b) confining the scope of the Loyalty Commission's enquiries in respect of other than Japanese Canadians to persons who have been detained during the war under the Defence of Canada Regulations.

942. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, December 15, 1945

...

REPATRIATION OF PERSONS OF JAPANESE RACE;
REVOCATION OF STATUS; LOYALTY COMMISSION

1. THE SECRETARY, referring to recent discussions of these questions, submitted a memorandum setting out specific questions upon which policy decisions were required. These related to the scope of the Commission's enquiries and to the position of Canadian-born Japanese.

Alternative draft Orders in Council† were also submitted.

(Secretary's memorandum, Dec. 15, 1945).[31]

2. THE MINISTER OF JUSTICE drew attention to existing provisions of the Immigration and Naturalization Acts with respect to deportation of persons within certain prohibited classes and revocation of naturalization in certain

[31] Non trouvé.
Not located.

cases. These provisions affected aliens and naturalized British subjects but not persons born in Canada.

If, by Orders in Council under the War Measures Act, Canadian-born Japanese were subject to deportation, to revocation of their British and Canadian status and to examination by the Loyalty Commission, the government would be going beyond existing legislation in very important particulars. On the other hand, if the proposed Orders were confined to Japanese nationals and naturalized Japanese, there would be no departure from the principles of the present law. If it were decided later to take any similar action with respect to the Canadian-born, legislation for the purpose could be introduced into Parliament.

(Minister's memorandum re deportation of undesirables, Dec. 15, 1945).[14]

3. THE CABINET, after further discussion, agreed:

(a) that, for the present, the scope of the enquiries of the proposed Loyalty Commission should extend only to persons of Japanese nationality and naturalized Canadians of Japanese race;

(b) that repatriation of Canadian-born Japanese should be confined to those who wished to be sent to Japan; and,

(c) that Orders in Council to provide for deportation, to revoke British and Canadian status of deportees and to establish the Loyalty Commission be approved in accordance with the above decisions.

(Orders in Council 7355, 7356 and 7357, Dec. 15, 1945).

...

943. DEA/104s

Décret en Conseil

Order in Council

P.C. 7355

ORDER IN COUNCIL RE DEPORTATION OF JAPANESE

AT THE GOVERNMENT HOUSE AT OTTAWA

SATURDAY, THE 15TH DAY OF DECEMBER, 1945.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS during the course of the war with Japan certain Japanese nationals manifested their sympathy with or support of Japan by making requests for repatriation to Japan and otherwise;

[14] Non trouvé.
Not located.

AND WHEREAS other persons of the Japanese race have requested or may request that they be sent to Japan;

AND WHEREAS it is deemed desirable that provisions be made to deport the classes of persons referred to above;

AND WHEREAS it is considered necessary by reason of the war, for the security, defence, peace, order and welfare of Canada, that provision be made accordingly;

NOW, THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Minister of Labour, concurred in by the Secretary of State for External Affairs, and under the authority of the War Measures Act, Chapter 206 of the Revised Statutes of Canada, 1927, is pleased to make and doth hereby make the following Order,

ORDER

1. In this Order, unless the context otherwise requires:

(a) "deportation" means the removal pursuant to the authority of this Order of any person from any place in Canada to a place outside of Canada;

(b) "deported" means removed or sent from Canada pursuant to the authority of this Order;

(c) "Minister" means the Minister of Labour;

(d) "request for repatriation" means a written request or statement of desire, to be repatriated or sent to Japan.

2.(1) Every person of sixteen years of age or over, other than a Canadian national, who is a national of Japan resident in Canada and who,

(a) has, since the date of declaration of war by the Government of Canada against Japan, on December 8th, 1941, made a request for repatriation; or

(b) has been in detention at any place in virtue of an order made pursuant to the provisions of the Defence of Canada Regulations or of Order in Council P.C. 946, of the 5th day of February, 1943, as amended by P.C. 5637, of the 16th day of August, 1945, and was so detained as at midnight of September 1st, 1945;

may be deported to Japan.

(2) Every naturalized British subject of the Japanese race of sixteen years of age or over resident in Canada who has made a request for repatriation may be deported to Japan; Provided that such person has not revoked in writing such request prior to midnight the first day of September, 1945.

(3) Every natural born British subject of the Japanese race of sixteen years of age or over resident in Canada who has made a request for repatriation may be deported to Japan; Provided that such person has not revoked in writing such request prior to the making by the Minister of an order for deportation.

(4) The wife and children under sixteen years of age of any person for whom the Minister makes an order for deportation to Japan may be included in such order and deported with such person.

3. Subject to the provisions of section 2 of this Order, a request for repatriation shall be deemed final and irrevocable for the purpose of this Order or any action taken thereunder.

4. The Minister may

(a) make orders for the deportation of any persons subject to deportation;

(b) take such measures as he deems advisable to provide or arrange for the deportation of such persons, and for their transportation, detention, discipline, feeding, shelter, health or welfare, pending their deportation;

(c) make such orders, rules or regulations as he deems necessary for the purpose of carrying out the provisions of this Order;

(d) subject to the approval of the Governor in Council, employ such officers and other employees as are necessary to assist him in carrying out this Order and fix their remuneration;

(e) authorize from time to time any person to exercise on his behalf any power vested in him under paragraph (b) of this section.

5. An order for deportation made by the Minister shall be in force and effect from the date of the order.

6.(1) Any person for whom an order for deportation is made or who, having made a request for repatriation, is proceeding to Japan without the issue of such an order, shall be entitled, in so far as circumstances at the time permit

(a) at or immediately prior to the time of his deportation from Canada, to purchase suitable foreign exchange to the extent of any money in his possession or standing to his credit in Canada or advanced to him by the Minister pursuant to section seven and to take such foreign exchange out of Canada with him;

(b) to deposit any money in his possession or standing to his credit in Canada with the Custodian of Enemy Property, who shall provide such person with a receipt therefor and purchase foreign exchange therewith, and transfer the same, less transfer charges, to such person whenever reasonably possible following upon his deportation;

(c) at the time of his deportation to take with him such other personal property belonging to him as may be authorized by the Minister;

and the Foreign Exchange Control Board shall do such things and issue such permits as may be required to implement these provisions.

(2) Where real or personal property of a person who has been deported to Japan or who, having made a request for repatriation, has proceeded to Japan without the issue of an Order for deportation, has not been sold or otherwise disposed of prior to departure such real and personal property shall, as of the date of deportation of such person, be vested in the Custodian of Enemy Property, who shall sell the same as soon as in his opinion it is reasonably practicable to do so, and in the meantime he may take such measures as he deems proper for the care, maintenance and safeguarding of such property, and the net proceeds realized from such sale, after the deduction of reasonable

charges of handling shall be placed to the credit of such person and dealt with as provided in paragraph (b) of subsection (1) of this section.

7.(1) The Minister may at or immediately prior to the time of departure advance to or for a person who is being deported to Japan or who, having made a request for repatriation, is proceeding to Japan without the issue of an order for deportation, an amount in suitable foreign exchange equivalent to the following:

(a) Where such person is sixteen years of age or over and does not possess at least two hundred dollars, the difference between the amount he possesses and two hundred dollars which shall be paid to such person;

(b) Where such person has one or more dependents under sixteen years of age and does not possess at least two hundred dollars together with a further amount computed on the basis of fifty dollars for each such dependent, the difference between the amount he possesses and the total of two hundred dollars and the amount so computed, to be paid to such person.

(2) Any amount advanced as provided for in subsection (1) of this section shall be recoverable from the person to whom it is paid, from any money to the credit of such person with the Custodian of Enemy Property.

8.(1) The Minister may make arrangements with any department or agency of the Government of Canada to assist him in carrying out the provisions of this Order.

(2) The Department of National Defence shall provide any military guard personnel which may be required in carrying out the provisions of this Order.

(3) The Commissioner of the Royal Canadian Mounted Police shall give all assistance which may be required of him by the Minister in the carrying out of the provisions of this Order.

9. Any person for whom an order for deportation is made and who is detained pending deportation or who is placed under restraint in the course of deportation by virtue of any order or measure made or taken under Section 4 of this Order shall, while so detained or restrained, be deemed to be in legal custody.

10. Any person who resists or obstructs or attempts to resist or obstruct any peace officer or other person from carrying out his duties with respect to any order made pursuant to the provisions of this Order shall be guilty of an offence against this Order.

11. Any person who contravenes or omits to comply with any of the provisions of this Order or any order made or given pursuant thereto is guilty of an offence and liable upon summary conviction to a fine not exceeding Five Hundred Dollars or to imprisonment for a term not exceeding twelve months or to both such fine and such imprisonment.

12. Every document purporting to be or to contain or to be a copy of an order, certificate or authority made or given by the Minister in pursuance of the provisions of this Order and purporting to be signed by the Minister shall be received as evidence of such order, certificate or authority without proof of

the signature or of the official character of the person appearing to have signed the same and without further proof thereof.

GENERAL

13. The costs involved in the administration of this Order shall be paid from the amounts allotted from the war appropriation to the Department of Labour for Japanese administration.

A. D. P. HEENEY
Clerk of the Privy Council

944. DEA/104s

Décret en Conseil

Order in Council

P.C. 7356

ORDER IN COUNCIL REVOKING NATURALIZATION OF PERSONS DEPORTED IN PURSUANCE OF ORDER IN COUNCIL P.C. 7355, 15TH DECEMBER, 1945

AT THE GOVERNMENT HOUSE AT OTTAWA
SATURDAY, THE 15TH DAY OF DECEMBER, 1945

PRESENT:

HIS EXCELLENCY
THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS by Order in Council P.C. 7355 of 15th December, 1945, provision is made for the deportation of persons who, during the course of the war, have requested to be removed or sent to an enemy country or otherwise manifested their sympathy with or support of the enemy powers and have by such actions shown themselves to be unfit for permanent residence in Canada;

THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Secretary of State (concurred in by the Secretary of State for External Affairs) and under the authority of the War Measures Act, Chapter 206 of the Revised Statutes of Canada, 1927, is pleased to order and doth hereby order as follows:

1. Any person who, being a British subject by naturalization under the Naturalization Act, Chapter 138, R.S.C. 1927, is deported from Canada under the provisions of Order in Council P.C. 7355 of 15th December, 1945, shall, as and from the date upon which he leaves Canada in the course of such deportation, cease to be either a British subject or a Canadian national.

2. The Secretary of State shall publish in the *Canada Gazette* the names of all persons who have ceased to be British subjects or Canadian nationals by virtue of this Order.

A. D. P. HEENEY
Clerk of the Privy Council

945. DEA/104s

Décret en Conseil

Order in Council

P.C. 7357

ORDER IN COUNCIL RE COMMISSIONS TO INQUIRE INTO CONDUCT DURING THE WAR OF PERSONS OF THE JAPANESE RACE, ETC.

AT THE GOVERNMENT HOUSE AT OTTAWA
SATURDAY, THE 15TH DAY OF DECEMBER, 1945

PRESENT:

HIS EXCELLENCY
THE GOVERNOR GENERAL IN COUNCIL

WHEREAS during the war particular measures with regard to persons of the Japanese race in Canada were made necessary by reason of their concentration along the Pacific coast of Canada;

AND WHEREAS experience during the war in the administration of Order in Council P.C. 946 of February 5, 1943, providing for the control of persons of the Japanese race has indicated the desirability of determining whether the conduct of such Japanese persons in time of war was such as to make the deportation of any of them desirable in the national interest;

AND WHEREAS it is deemed advisable to make provision for the appointment of a Commission to institute the investigation referred to above;

THEREFORE His Excellency the Governor General in Council, on the recommendation of the Prime Minister, and under the authority of the War Measures Act, Chapter 206 of the Revised Statutes of Canada, 1927, is pleased to order and doth hereby order as follows:

1. A Commission consisting of three persons shall be appointed to make inquiry concerning the activities, loyalty and the extent of co-operation with the Government of Canada during the war of Japanese nationals and naturalized persons of the Japanese race in Canada in cases where their names are referred to the Commission by the Minister of Labour for investigation with a view to recommending whether in the circumstances of any such case such person should be deported.

2. Notwithstanding anything contained in the provisions of Order in Council P.C. 7355 of the 15th day of December, 1945, the Commission may, at the request of the Minister of Labour, inquire into the case of any naturalized British subject of the Japanese race who has made a request for repatriation and which request is final under the said Order in Council and may make such recommendations with respect to such case as it deems advisable.

3. The Commission shall report to the Governor in Council.

4. Any person of the Japanese race who is recommended by the Commission for deportation shall be deemed to be a person subject to deportation under the

provisions of Order in Council P.C. 7355 of the 15th day of December, 1945, and the provisions thereof shall apply, mutatis mutandis, to such person.

5. Where any person is recommended for deportation pursuant to this Order he shall, as and from the date on which he leaves Canada in the course of such deportation, cease to be either a British subject or a Canadian national.

6. The Commission shall, for the purpose of all inquiries and investigations made pursuant to this Order, have all the powers and authority of Commissioners appointed under Part One of the Inquiries Act.

7. The Commission is authorized to engage the services of such clerks, reporters, assistants and counsel as they deem advisable to aid and assist in the performance of their duties.

8. The Commissioners shall be paid such remuneration, allowances and expenses as the Governor in Council may fix.

9. All expenses incurred in connection with the inquiries and investigation of the Commission pursuant to this Order, including the remuneration, allowances and expenses of the commissioners, shall be paid from amounts allowed from the War Appropriation to the Department of Labour for such purpose.

A. D. P. HEENEY
Clerk of the Privy Council

PARTIE 4/PART 4

RAPATRIEMENT DES CANADIENS
REPATRIATION OF CANADIANS

SECTION A

DE L'EUROPE
FROM EUROPE

946. DEA/5970-A-1-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 889 Ottawa, July 17, 1944

Sir,

I have the honour to inform you that the question of the allocation of responsibility among the Commonwealth Governments for the relief and repatriation of British subjects in enemy occupied territories and in the territories newly liberated by the Allied forces has been under consideration in this Department. The experience of the Department during the past few years has made it clear that there is no agreed definition of United Kingdom and

Dominion nationality which can be applied, and that agreement on principles to determine the responsibility of the Member Governments of the Commonwealth is therefore desirable.

It had been thought that this might be one of the first questions discussed by the new Commonwealth Civilians Committee. It is understood that the question has been put on the agenda, but so far no action has been taken. As the question is one which is of increasing importance, it has been decided to provide the Canadian representative with proposals which he should put before the Committee as a basis for discussion.

I therefore am forwarding herewith a memorandum which has been agreed to by the Deputy Minister of Justice, the Under-Secretary of State, and the Commissioner of Immigration. It has not been put before the Cabinet and it is proposed to delay doing so until consideration has been given to this question by the Commonwealth Civilians Committee and a report of their conclusions and recommendations has been received.

In presenting our proposals to the Committee, the Canadian representative should make clear that it is put forward as a basis for discussion and does not commit the Canadian Government. It might also be helpful to the Committee's understanding of the Canadian proposals if he were to suggest that the Committee should consider first what British subjects should be regarded as eligible for relief and repatriation, and second, how responsibility for those considered eligible for relief and repatriation should be divided among the Member Governments of the Commonwealth. It is recognized, however, that we must stand behind the Protecting Power, and that where the Protecting Power is affording relief to a British subject or has arranged repatriation, the Commonwealth must assume responsibility.

As regards the allocation of responsibility among the Members of the Commonwealth it is suggested that responsibility for relief and repatriation of naturalized British subjects should be assumed by the country of naturalization. This is thought to be the simplest procedure, but we would be prepared to agree that where a person naturalized in one Member country had later taken up permanent residence in another, the country of last permanent residence within the Commonwealth might assume responsibility. This proposal has not been included in our memorandum, as it is thought that such cases would be very few and could be settled individually by agreement.

As regards natural born British subjects, we propose that the country of last permanent residence within the Commonwealth should accept responsibility. It is felt that the adoption of this principle would greatly simplify the problem, as our experience has shown that a person's last place of permanent residence is the place in which his relatives, social and business connections, and property or other assets, if any, are most likely to be found, and to which he will wish to return if repatriated.

It is felt that the application of these principles would take care of the great majority of cases, and that they are sufficiently simple to be applied easily by any examining officer. It is thought that the number of doubtful cases, and of

cases not covered, which would have to be submitted individually to Governments or to the Committee for consideration, would be very small.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum

Memorandum

PRINCIPLES WHICH MIGHT BE DISCUSSED AT MEETING OF C.C.C. IN LONDON AS A BASIS FOR APPORTIONMENT OF RESPONSIBILITY IN MATTERS OF RELIEF AND REHABILITATION

Part I

Position while matter is being dealt with by the Protecting Power

1. The governing principle is that it is necessary to stand behind the Protecting Power. It is a matter of serious difficulty for the Swiss representatives to apportion responsibility as between different classes of British subjects and it is necessary for the Swiss, as a practical measure, to accept evidence of being a British subject as a justification for giving relief in many cases. It is therefore desirable that we should stand behind the Protecting Power and apportion financial responsibility among the different Commonwealth members, notwithstanding that it may result in Canada or some other member being charged with relief in respect of a person who would not ordinarily be a proper recipient, either from the Canadian or the general Commonwealth point of view. On the other hand, it would be open to the Governments to instruct the Protecting Power to stop relief in appropriate cases.

Part II

Position arising in the case of repatriations during hostilities

2. In providing for repatriations, the Swiss are bound to include some persons who have no genuine right of repatriation to any part of the British Commonwealth. A practical problem arises in that Canada is confronted with a group of repatriates who have to be accepted regardless of whether they pass any tests which would justify us in regarding them as Canadians. The only practical measure to follow is to have the group of repatriates divided by representatives of the Commonwealth Governments on an appropriate basis and then for each member Government to accept those members of the whole repatriation group who are more nearly connected with it regardless of whether individual cases fit into the laws and regulations of the member Government concerned.

It is recognized that such a course involves the acceptance of responsibility both in permitting entry to Canada and in providing relief and other services for persons who might not ordinarily come within the scope of our federal and provincial systems.

Part III

Position arising in the event of large-scale repatriations from the continent to Great Britain

3. It seems to be certain that the military authorities will move to the United Kingdom all interned civilians. It is possible that they will move to the United Kingdom all, or a substantial proportion, of those civilians who have not been interned in order to clear the country for military operations. There will, therefore, be a large number of persons in Great Britain who will need to be dealt with. The following course might be followed in dealing with them:

(a) Persons clearly belonging to particular parts of the Commonwealth and who have not established homes elsewhere will presumably wish to return home and will be helped to do so.

(b) Upon the settlement of conditions in Europe, many persons who had established homes in Europe presumably would wish to return to the part of Europe in which they were living; they might well be encouraged to do so.

(c) The remainder might well be dealt with following the same principles as are applied in the case of repatriations arranged by Protecting Powers during hostilities. The only difference would be that there would likely be more opportunity for considering different aspects of the problem before distributing them among the member governments concerned.

Part IV

Position arising in the case of civilians in enemy and enemy-occupied countries upon the relinquishment of responsibility by the Protecting Power

4. In this case it would be possible to provide for repatriation in accordance with definite principles. There would be time for consideration and for consultation with the capitals of the countries concerned. A method of distribution might be based upon the following principles

A. Principles determining position of naturalized British subjects

(i) All naturalized British subjects who, prior to the date of enemy occupation, had returned to their country of origin for settlement (and not merely as visitors) should be struck off relief rolls and refused repatriation. The authorities might be permitted to extend limited relief on humanitarian grounds but generally such cases should be turned over to UNRRA.

(ii) All naturalized British subjects who had been ordinarily resident in any enemy or enemy-occupied country (other than their country of origin), and who had not taken action required to safeguard their right of re-entry under

Immigration regulations during the two years prior to the date of occupation, would be struck off the relief rolls and treated in the same general manner (subject, of course, to the right of the individual to prove that he had maintained his permanent connection with a member country).

(iii) Repatriation should be refused to all persons cut off relief under the provisions of the two preceding sub-paragraphs. In other cases, both relief and repatriation rights should be based upon the country of naturalization. The country of naturalization would accept primary responsibility notwithstanding that there had been loss of technical legal status under the laws of the member country.

(iv) Except by agreement no member country should accept responsibility in respect of any person who, under these rules, would be the responsibility of another member country (e.g., if the Canadian authorities were refusing relief or repatriation to a person naturalized in Canada, the U.K. authorities should not be prepared to come in and accept responsibility).

B. Principles determining position of natural-born British subjects

(i) Where such persons possess also the nationality of another country under the *jus sanguinis* and have returned to that country for settlement, they should normally be remitted to that country for relief and all other purposes, and responsibility should be disavowed either for relief or repatriation. Normally, settling in that country should be regarded as a waiver of the status acquired under the *jus soli*, and, regardless of legal technicalities, relief and repatriation should be refused.

(ii) In all other cases, it would probably be necessary to accept responsibility for natural-born British subjects.

(iii) The test for acceptance of responsibility should normally be the last place of permanent residence in a member country. In such cases, notwithstanding the intervention of residence outside of the British Commonwealth, the country of the last place of permanent residence should accept responsibility. For this purpose, a minimum residence of five years might be required to establish a "last place of permanent residence."

(iv) In cases in which there had been established a close connection with a member country which could fairly be regarded in the special circumstances as the equivalent of a permanent home, the member country concerned would accept responsibility in matters of relief and repatriation, e.g., there are many cases in which a man may be more or less permanently resident abroad under special circumstances which rebut any presumption of establishment of a permanent home abroad, e.g., missionaries and employees of transportation and travel companies, etc. In such cases, there may have been established a permanent home in Canada where the children are ordinarily sent for education, where the parents normally go on furloughs, and where they normally expect to return for retirement. In such cases, there would be acceptance of responsibility by Canada. Similar cases would arise in other member countries and the permanent home might very well be in a place which

was not the place of birth of the husband. This would be particularly true in the missionary communities.

(v) In other cases, the place of birth of the husband and father would be regarded as the determining factor.

C. Principles governing families

(i) The broad principle which would be followed in matters of relief and repatriation would be the need for the maintenance of the integrity of the family. In the case of family homes under the provisions of B (iv) above, the family home would carry with it the whole family regardless of the special position of the individuals concerned. While normally the father's position would govern that of the other members of the family, there might well be other cases in which the position of the mother would be accepted as a determining factor; for example, cases in which the mother was a Canadian from every point of view and the father had died. It would, in such cases, be possible for the mother to bring her children with her notwithstanding that some of them had been born abroad. The position of children who had passed their eighteenth birthdays might well present a good deal of difficulty and it might be desirable to subject them to a discretionary authority and, in that case, it would be necessary to reserve them for determination by the member government concerned.

947. DEA/5970-A-2-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 980 Ottawa, August 8, 1944

Sir,

I have the honour to refer to your telegram No. 1485 of June 16th† enquiring what action should be taken by Canada House for the assistance and repatriation of any Canadian civilians who may arrive from the Continent during the present military operations.

I have discussed this question with the Director of Immigration and he has agreed that, pending a decision by the Commonwealth Civilians Committee on the allocation of responsibility between the Governments of the Commonwealth for the relief and repatriation of British subjects, the procedure adopted for persons repatriated on the Drottningholm in the August exchange at Lisbon should be applied. Persons in the following categories are deemed to be admissible to Canada, and arrangements may be made by Canada House for their relief and repatriation, if necessary at Government expense but subject to eventual repayment by individual repatriate:

1. Persons born in Canada who have not lost their status as British subjects.

2. Natural born British subjects who had not lost Canadian domicile on September 3rd, 1939.

3. Persons naturalized in Canada whose last permanent place of residence within the Commonwealth was in Canada.

4. The wives and families of persons included in the above categories 1, 2, and 3.

Persons in category (1) and many of those in categories 2 and 3 will be admissible to Canada as a matter of right. Those within categories 2, 3 and 4 not so admissible will, however, be admitted to Canada as if they were Canadian citizens within the meaning of the Immigration Act. Their claim to come within these categories should be verified as far as possible. Subject only to this verification, persons falling within these categories should not be refused admission to Canada for other reasons such as ill-health, or lack of means of support.

It should also be borne in mind that the liberal interpretation of the Immigration Act which is provided for by the above instructions, is to be applied only in the cases of persons repatriated from enemy or enemy occupied territory by an arrangement with the enemy, by the Protecting Power, or those who may arrive from newly liberated territories in Europe during the present military operations.

Further, the High Commissioner's Office may, at the discretion of the appropriate officer, assume responsibility for persons arriving in England from the Continent who appear to have some reasonable claim on Canada or whose connection with Canada appears to be closer than their connection with the United Kingdom, until such a time as a ruling on their status can be received from Ottawa. All such cases should be reported to Ottawa as soon as possible, if necessary by telegram. Should, however, a case arise where immediate repatriation to Canada is possible and where there is not time to consult Ottawa, the appropriate officer of Canada House, in consultation with the Canadian Immigration officer, may repatriate such persons to Canada.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

948. DEA/5970-A-40

Le secrétaire d'État aux Affaires extérieures au représentant en France[35]

Secretary of State for External Affairs to Representative in France[35]

DESPATCH 109 Ottawa, September 11, 1944

Sir,

[35] Une dépêche semblable fut envoyée au chargé d'Affaires en Belgique.
A similar despatch was sent to the Chargé d'Affaires in Belgium.

With despatch No. 106 of September 6th[†] I enclosed a memorandum entitled "Regulations regarding protection of Canadian interests in Liberated Territories."[†]

Since then we have revised paragraphs 8 and 9 of Part A of the regulations and have made minor changes in some other paragraphs. Enclosed is the revised version of the regulations dated September 11th, replacing the version sent to you on September 6th.

We have prepared a new edition of the Certificate of Identity[†] to be issued by you pursuant to the regulations. We enclose 300 copies, numbered Series (2), Nos. 1-300 inclusive. These are to be used in place of the Certificates given to you by Canada House.

I shall be glad to receive, in due course, a statement regarding the disposition of the Certificates given to you by Canada House.

I have etc.

MAX WERSHOF
for the Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du ministère des Affaires extérieures

Memorandum by Department of External Affairs

REGULATIONS RE PROTECTION OF CANADIAN INTERESTS IN LIBERATED TERRITORIES

PART A—Payment of Relief

(It should be noted that the classes of persons to whom Certificates of Identity may be issued and the classes to whom relief may be paid do not coincide. While all persons to whom Certificates of Identity may be issued may be accorded relief if they are in need, there are some categories who would not be eligible for Certificates of Identity but who may be granted relief).

1. On first taking over, the officer in charge of relief should continue relief at the rates paid by the Protecting Power to persons who have been receiving relief from the Protecting Power.

2. As soon as possible after taking over, the officer in charge of relief should give consideration to the scale of relief and report thereon to the Department of External Affairs.

3. In principle the rates paid to Canadians should be the same as those paid by the United Kingdom to other British subjects. (The United Kingdom are instructing their Consuls to continue relief at the rates paid by the Protecting Power). The Canadian officers in charge of relief should, however, keep in touch with the British representatives in their countries and should report immediately change or proposed change of rates.

4. In exceptional cases relief may be increased by the officer in charge of relief at his discretion where circumstances appear to warrant but no general

departure from the scale should be made without consulting the Department of External Affairs.

5. To begin with, all persons receiving relief from the Swiss on Canadian account should be accorded relief under the provision of paragraph one above. The examination of individual cases should, however, be begun as soon as possible and if any cases appear where the recipient of relief should clearly be the responsibility of another Government it should be brought to the attention of the Department of External Affairs in order that the appropriate Government may be asked to assume responsibility for further relief and for relief already paid. (It is anticipated that most such cases which arise will be of persons who should either be receiving relief from the United Kingdom or from the United States.)

6. All persons who are eligible to receive Certificates of Identity under Paragraph two of Part B of these regulations will be regarded as Canadian responsibility and should be afforded relief where necessary.

7. Where a person is definitely a British subject, but where the allocation of responsibility as between the various Governments of the Commonwealth is not clear, the officer in charge of relief should assume the responsibility and pay relief if he is satisfied that the applicant has a closer connection with Canada than with any other country of the Commonwealth.

8. Relief may be afforded to the following categories of person provided that they are not Canadian nationals and not entitled to receive adequate relief from another Government.

(a) Persons who were employees of the Canadian Government at the outbreak of hostilities and their dependent children.

(b) Persons who were on overseas service with the Canadian forces and their dependent children.

(c) The widows and dependent children of former members of the Canadian overseas forces.

(d) The Canadian born widows of foreigners and their dependent children.

The payment of relief to the above categories is on compassionate grounds and in many cases it will be impossible to recover it. While treating the applicants in these categories with the utmost consideration, the officer in charge of relief should bear this in mind and should not authorize the maximum rates of relief unless he is convinced of the real need of the applicant.

9.(a) Canadian War Pensioners who are eligible for relief under paras. 1 to 7 of these regulations (and this takes in all Canadian nationals) should be given relief as follows:

(i) If the amount of pension exceeds the maximum rate of relief, they should get the maximum rate of relief unless they qualify for more than the maximum under para. 4.

(ii) If the amount of pension is less than the maximum rate of relief, they may nevertheless be given up to the maximum rate of relief in the same manner as other Canadians in accordance with need.

(b) Canadian War Pensioners who are not eligible for relief under paras. 1 to 7, but who are eligible under para. 8, should be given relief as follows:

(i) If the amount of pension exceeds the maximum rate of relief, they should get the maximum rate of relief.

(ii) If the amount of pension is less than the maximum rate of relief, they should get at least the amount of the pension and may be given more on compassionate grounds up to the maximum.

(c) If there should be a case of a Canadian War Pensioner who does not qualify for relief under either paras. 1 to 7 or para. 8, he should be given relief up to the amount of his pension (but not so as to exceed the maximum rates of relief).

(d) War Pensioners should be able to present a statement from the Department of Pensions and National Health showing pension number and amount of relief payable. In the absence of such a statement, and unless the officer in charge is convinced that the person is a pensioner, the claim to be a pensioner should be cleared with Ottawa before it is used as a basis for relief.

10. Notwithstanding that an applicant may be qualified to be afforded relief under the above regulations no relief should be paid to any enemy national without reference to Ottawa in each case. Only in the most exceptional cases would relief be granted to an enemy national and unless the officer in charge of relief is convinced that very exceptional circumstances exist which will have weight at Ottawa, he should refuse to consider applications for relief from enemy nationals.

11. Until further notice the application forms and questionnaires required for Certificates of Identity under Part B of these regulations may be used as relief questionnaires. Questionnaires should be completed in triplicate for all applicants for relief. Two copies of each questionnaire should be forwarded to Ottawa by airmail.

12. Receipts in the form of promises to repay should be taken from all persons to whom relief is paid, and care should be taken that full information is given as to possible sources of repayment, whether from assets or relatives in Canada or abroad or from the source of a pension or allowance. Receipts should be forwarded to Ottawa and copies kept for local record.

PART B—Certificates of Identity

1. Until further notice, no passports are to be issued or renewed by Canadian missions in Europe. Instead they may issue Certificates of Identity, valid for 6 months.

2. The following are eligible for Certificates of Identity:

(1) Persons born in Canada who have not lost their status as British subjects.

(2) Natural born British subjects who had not lost Canadian domicile on September 3rd, 1939.

(3) Persons naturalized in Canada whose last permanent place of residence within the Commonwealth was in Canada and who have remained British subjects.

(4) The wives and children under 16 of persons included in the above categories 1, 2, and 3.

3. Not all of the persons coming within these categories are Canadian citizens within the meaning of the Immigration Act or even Canadian nationals within the meaning of the Canadian Nationals Act. However, issuing authorities should be guided for the present by the list of categories given above and not by the stricter provisions of the statutes.

4. Issuing authorities may have in mind that a person will have ceased to be a British subject

(a) if he has voluntarily become naturalized in a foreign country; or

(b) if, being a dual national, he has taken steps to surrender British nationality; or

(c) if, being a woman, she has acquired her husband's nationality on marriage to an alien; or

(d) if, having been a naturalized British subject, his naturalization has been revoked.

This list is not exhaustive.

5. In interpreting category (2) issuing authorities may have in mind that Canadian domicile is acquired by 5 years permanent residence in Canada. It is lost (except by persons born in Canada) if and when the possessor

(a) leaves Canada with the intention of taking up residence elsewhere; or

(b) remains out of Canada for six years except in certain occupations mentioned in the Immigration Act; or

(c) remains out of Canada for more than one year but less than six without protecting his Canadian domicile in the manner provided in the Immigration Act.

6. If a person is not eligible for a Certificate under para. 2 above, but has urgent need of an identity document and has a strong moral claim to Canadian protection, he may be given a Certificate endorsed "Provisional, issued subject to confirmation." If there is time, the Department of External Affairs should be consulted in advance; in other cases the Department should immediately be asked for confirmation.

7. An interim supply of application forms and questionnaires to be completed by persons desiring certificates may be obtained from Canada House. A supply of revised applications will be sent shortly from Ottawa.

8.(a) The seal or stamp of the issuing mission should be placed over the holder's photograph and over his specimen signature.

(b) Where several members of a family are eligible for certificates, separate certificates should be given to those of 16 years and over.

9. Three copies of the application and questionnaire should be made, two to be sent promptly by air mail to the Department of External Affairs.

10. If a person to whom a Certificate of Identity is given has a Canadian passport or a Canadian identity document issued by the Protecting Power, such passport or document should be impounded when the Certificate of Identity is granted.

PART C—Repatriation

1. If any person desires financial or other assistance to go to Canada, his request should be referred by air mail to the Department of External Affairs. This applies to all, whether or not they are eligible for Certificates of Identity.

2. If the Department of External Affairs authorizes repatriation to Canada, and if repatriation is arranged via the United Kingdom, Canada House should be given full information, in advance of arrival in the United Kingdom. In all cases, the Department of External Affairs should be informed before the person is due to arrive in Canada.

3. Persons eligible for Certificates of Identity under para. 2 of Part B of these regulations should be given financial and other assistance, if required, to return to their homes in Europe or the United Kingdom. Persons ineligible for Certificates under para. 2 of Part B, but who are eligible for relief under Part A, may be assisted to return to their homes in Europe or the United Kingdom. The Department of External Affairs should be fully informed, but not necessarily in advance.

4. Promises to repay the cost of repatriation should be taken in all cases. One copy of such promises should be sent to the Department of External Affairs, with information regarding assets, as in the case of promises to repay relief signed under Part A of these regulations.

949. DEA/5970-A-2-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires, la légation auprès
des gouvernements alliés, Londres

Secretary of State for External Affairs to Chargé d'Affaires, Legation to the Allied Governments, London

DESPATCH 76 Ottawa, September 14, 1944

Sir,

1. Enclosed are two copies of a memorandum dated September 11th prepared by the Department of External Affairs entitled "Regulations re Protection of Canadian Interests in Liberated Territories," which is intended to guide your activities in the Netherlands in the period following the re-opening there of the Canadian Legation.

2. The regulations are in three parts

Part A—Payment of Relief

Part B—Certificates of Identity

Part C—Repatriation.

3. You will note that these regulations have been drawn with the object of giving the Canadian representative on the spot discretion to ensure that no persons in need who have a legitimate claim on Canada for assistance, even though that claim may not be a legal one, shall be turned away. These instructions are therefore intended to apply in the early period after liberation from the enemy and are subject to revision when conditions become normal. In their application it should be kept in mind that the purpose of relief should be to enable the recipient to go without it and to support himself as soon as possible. For this reason, authority is given to provide transportation to a relief recipient to his home in Europe where he may be able to support himself and cease to be a charge on the Canadian Government.

4. Where authority is given to give relief to persons who are not Canadian nationals it should be kept in mind that this has been done for persons who appear to have some special claim—we include persons employed by the Canadian Government at the outbreak of the war; men who saw overseas service in the Canadian Forces in the last war (or in this war, if any), and Canadian born widows of foreigners and their dependent children. It is expected that some of the employees will be re-employed in their old jobs. Others will soon find new jobs. The remainder cannot be kept permanently on relief, and their cases should be brought to the attention of the Department of External Affairs at once.

5. The reason for allowing relief to non-Canadians who saw overseas service with the Canadian forces is obvious, but it should be clear to such persons that the payment of relief to them is not an obligation but an act of grace on the part of the Government. It is thought that relief to this group can, in most cases, be discontinued very soon. In cases where the recipient is obviously likely to require financial assistance for a longer period, consideration should be given as to whether this case should not be brought to the attention of the Department of Pensions and National Health. If so, full particulars would be forwarded to the Department of External Affairs.

6. Part B of the enclosed Regulations, dealing with Certificates of Identity, replaces the instructions regarding Certificates contained in my telegram No. 1661 of August 15th to Canada House, a copy of which was transmitted to you.

7. Also enclosed are two copies of a memorandum (dated March 25th, 1944)[†] on the actual rates of relief paid by the Protecting Power in enemy and enemy-occupied territories to distressed Canadians.

8. This memorandum contains all the information received by the Department up to the 25th March of this year. While it gives the authorized rates, it should be noted that the Swiss representatives have frequently taken advantage of the permission quoted in paragraph 5, which authorizes the representative of the Protecting Power on the spot, at his discretion and without reference to the Canadian authorities, to make supplementary payments for special reasons. It

is also believed that the rates in various localities have been changed by the Swiss, presumably with the authority of the United Kingdom but without our knowledge. In such cases the increase in the rates payable to Canadians to bring them up to the United Kingdom level has been made in accordance with Canadian policy that the Canadians should not receive less favourable treatment than other British subjects.

9. The result, however, is that the Canadian representative going into liberated territories will, in many cases, find that the actual rates of relief which have been paid by the representative of the Protecting Power are at variance with the scales given in this memorandum. In such circumstances the Canadian representative will continue the rates of relief paid by the Swiss, but in the absence of the special rates, he should use the rates given in the memorandum as a guide.

10. In particular it should be kept in mind that the rates given in this memorandum are maximum rates, and that relief is authorized only in relation to need. Not all Canadians or persons who have been accepted as Canadian responsibility have been receiving from the Swiss the maximum amounts payable. Similarly, in authorizing relief to persons who have not been receiving relief through the Protecting Power, the Canadian representative should not authorize payment of relief at the maximum rates unless he is convinced that it is necessary in each case.

11. Enclosed are 100 blank Certificates of Identity, to be issued in the Netherlands pursuant to the enclosed regulations. They are numbered Series 4, No. 1 to 100 inclusive. Application forms may be obtained from Canada House pending the sending of revised application forms from Ottawa.

12. On September 7th we instructed the Canadian High Commissioner in London to attempt to make the following arrangement through the Foreign Office:

"(a) In respect of countries in which Canadian diplomatic missions are opened promptly (i.e. France, Belgium, Netherlands) Foreign Office should ask Swiss to instruct their officers not to give Canadian papers to British Consuls but to give them to Canadian Mission on latter's request.

(b) In respect of countries in which no Canadian Legation is opened or about to be opened, Foreign Office should ask Swiss to hand Canadian papers to British Consuls at same time as British papers. Each time Canadian papers are so dealt with, we should appreciate being promptly informed via Foreign Office and Canada House."

13. On September 9th we instructed the High Commissioner in London to try to make the following arrangement with the Foreign Office:

"(a) In any liberated country where there is a Canadian Mission British Consuls should ask Mission's advice regarding any Canadians who come to them for assistance. In urgent cases interim assistance would of course be given by the Consul. If Consulate and Mission are in the same city, Consulate should pass Canadians to the Mission. This arrangement would apply now in France and Belgium, soon in the Netherlands and later in other countries.

(b) In liberated countries in which there is no Canadian Mission we presume British Consuls will treat all British subjects, including Canadians, alike. We do not suggest a separate regime to be applied by British Consuls for Canadians, but where a Consul is in doubt as to how to deal with an applicant claiming to be a Canadian we would be glad to be consulted. If Foreign Office see no objection British Consuls might be instructed to consult Ottawa direct, but if Foreign Office prefer such enquiries from British Consuls to go through the Foreign Office do not press this. Question of whether a person to whom a British Consul has given relief as a British subject is in fact Canadian responsibility can be settled later when accounts reach London."

14. I shall let you know as soon as I receive a report from the High Commissioner regarding these two aspects of the problem of assistance to Canadian civilians in liberated territory.

I have etc.

J. E. READ
for the Secretary of State
for External Affairs

950. DEA/5970-A-2-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 1177 Ottawa, September 18, 1944

Sir,

My despatch No. 980 of August 8th contained instructions regarding the assistance to be given by Canada House to Canadians who may arrive in the United Kingdom from Europe during the present military operations. My despatch set forth certain categories of persons and said that persons in those categories "are deemed to be admissible to Canada, and arrangements may be made by Canada House for their relief and repatriation, if necessary at Government expense but subject to eventual repayment by individual repatriate."

My despatch also stated:

"It should also be borne in mind that the liberal interpretation of the Immigration Act which is provided for by the above instructions, is to be applied only in the cases of persons repatriated from enemy or enemy occupied territory by an arrangement with the enemy, by the Protecting Power, or those who may arrive from newly liberated territories in Europe during the present military operations."

As you know, we have recently instructed the Canadian Missions in Paris and Brussels (and will similarly instruct other Canadian Missions in Liberated

Territory) to take up with the Department of External Affairs each request for assistance to return to Canada.

On reconsideration of my despatch No. 980, it seems to me desirable that Canada House should similarly consult the Department of External Affairs regarding each request of a Canadian who, upon arrival in the United Kingdom from Europe, asks for assistance in returning to Canada. It is not necessary for you to consult the Department of External Affairs in cases of persons arrived in the United Kingdom as a result of organized exchanges and if such persons have been given Certificates of Identity by the Canadian representative on the exchange. Nor is it necessary for you to consult the Department of External Affairs in any case in which repatriation to Canada has already been approved by us at the instance of a Canadian Mission in Europe. In all other cases, however, I should appreciate it if you would consult this Department before providing repatriation to Canada.

It is not of course necessary to consult the Department before granting relief to persons covered by my despatch No. 980. We should, however, be glad to receive full information regarding persons to whom relief is given.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

951. DEA/5970-A-2-40

Le secrétaire d'État aux Affaires extérieures au représentant en France

Secretary of State for External Affairs to Representative in France

DESPATCH 233 Ottawa, October 24, 1944

Sir,

With despatch No. 109 of September 11th I sent you a memorandum dated September 11th, 1944 entitled "Regulations re Protection of Canadian Interests in Liberated Territories."

2. These Regulations were subsequently sanctioned by Order-in-Council P.C. 7855 of October 6th,† a copy of which I enclose herewith.

3. Paragraph twelve of Part 'A' of the Regulations reads as follows:

"12. Receipts in the form of promises to repay should be taken from all persons to whom relief is paid, and care should be taken that full information is given as to possible sources of repayment, whether from assets or relatives in Canada or abroad or from the source of a pension or allowance. Receipts should be forwarded to Ottawa and copies kept for local record."

4. On the recommendation of the Director of Immigration, I have amended this paragraph to read:

"12. Detailed statement of expenditure showing rate of exchange, with promises to repay from all persons to whom relief is paid, should be forwarded to Ottawa and copies kept for local record. Care should be taken that full

information is given as to possible sources of repayment, whether from assets or relatives in Canada or abroad or from the source of a pension or allowance."

5. The purpose of the change is to request you to send us, in addition to the receipts and promises to repay relief, periodical statements showing all relief paid and showing the rate of exchange. These statements should be sent monthly. They should list the names of recipients of relief and the amounts paid during the month. If a person receives relief for members of his family in addition to himself, that should be indicated. These statements are required primarily by the Immigration Branch, which is responsible for obtaining repayment of relief. Would you please send the statements in duplicate, in order that we may keep a copy and send one to Immigration. The statements should be accompanied by one copy of the relief receipts for the period covered by the statement.[36]

6. Turning to Part 'B' of the Regulations, I should like to refer to paragraph nine which states:

"Three copies of the application and questionnaire (for Certificate of Identity) should be made, two to be sent promptly by air mail to the Department of External Affairs."

In sending these documents it would be appreciated if you would send a separate despatch for each person (or family) involved.

7. Part 'C' of the Regulations deals with repatriation requests. Would you please send a separate despatch for each person (or family) asking for repatriation. Each despatch should be accompanied by a copy of the applicant's promise to repay the cost of repatriation, and should contain information regarding the applicant's assets and income, and information regarding the special reasons, if any, for requesting repatriation. If the application for repatriation has been made simultaneously with an application for Certificate of Identity, both applications may be sent under cover of the same despatch.

I have etc.

ALFRED RIVE
for the Secretary of State
for External Affairs

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[36] La note suivante était écrite sur cette copie de la dépêche:
The following note was written on this copy of the despatch:
Note for file.
I read this para[graph] over the phone to Mr. Phail of Immigration and he agreed. M. W[ERSHOF]

952. DEA/5970-A-1-40

Mémorandum de la section spéciale[37] au conseiller juridique

Memorandum from Special Section[37] to Legal Adviser

Ottawa, February 2, 1945

RE: DIVISION OF RESPONSIBILITY FOR RELIEF TO BRITISH COMMONWEALTH NATIONALS

The Canadian proposals[38] were, as you know, first discussed by the Commonwealth Civilians Committee on August 18th, when I was present. At the following meeting on September 4th the United Kingdom Government submitted unfavourable comments on our proposals and submitted counter-proposals.

The United Kingdcm counter-proposals, as altered at the meeting on September 4th, read as follows:

"1. Each member Government will accept in principle financial responsibility for those who are British subjects or British protected persons by virtue of connection with that member Government either through birth, naturalization or descent. Subject to the right of each Government to make exceptions in individual cases.

2. Authority will be given to British or Dominion consuls or agents appointed or to be appointed in the liberated territories to continue for a limited period the relief payments at present being made through the Protecting Power to British subjects in enemy territory."

Those present at the meeting, with the exception of the Canadian representative, were in favour of the United Kingdom proposals and agreed to send them to their governments. Mr. Scott, the Canadian representative, said that in view of the Canadian proposals, he could not recommend to the Canadian Government to accept the first of the two United Kingdom proposals.

Mr. Scott now tells us that the United Kingdom proposals are to come up for discussion at the next meeting of the Committee, which will probably be held about the middle of February. He wishes to know what to say on behalf of the Canadian Government on this subject.

The second part of the United Kingdom proposal is of course perfectly satisfactory. The first part of the United Kingdom proposal is objectionable for the following reasons:

1. It is not sufficiently precise.

2. It would reject the Canadian idea that relief should be denied to naturalized persons who return for permanent residence to their country of origin.

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[37] M. Wershof.

[38] Voir la pièce jointe, document 946.
See enclosure, Document 946.

3. It rejects the Canadian idea that, in the case of a person born in the British Commonwealth, the Commonwealth country in which he had his last place of permanent residence (rather than the country of birth) should be responsible for him.

It seems to me that it is desirable to give Mr. Scott some instructions in advance of the next meeting. The following positions[39] present themselves,

1. To renew the fight for the Canadian proposals. This would probably be a waste of time. I think that this fight will have to be taken up on a higher level if it is to have any chance of success.

2. To tell the Committee why the United Kingdom proposals are objectionable and simply to state that Canada does not concur in them.

3. To explain why the United Kingdom proposals are objectionable and to state that Canada cannot concur in them, but that in actual practice the course we are following in liberated countries does not differ from the course recommended by the United Kingdom Government.[40]

I should be glad to have your instructions as to the views we should ask Mr. Scott to express at the next meeting of the Committee.[41]

953. DEA/5970-A-1-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 312 Ottawa, February 5, 1945

Your telegram No. 158, January 17,† division of responsibility for British Commonwealth civilians. Your telegram arrived too late for reply before January 18 meeting of Commonwealth Civilians Committee. We understand that subject was not discussed January 18 but will come up at next meeting. If it does, our views on United Kingdom memorandum P(44)25† may be stated as follows:

1. The second of the two recommendations is of course satisfactory.

2. The first recommendation is not (not) satisfactory for the following reasons:

(a) It is lacking in detail and precision.

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[39] Le mot «positions» fut rayé et remplacé par «possibilities.»
The word "positions" was crossed out and replaced by "possibilities."

[40] Notes marginales:
Marginal notes:
I prefer this course. A. R[IVE]
I agree. J. E. R[EAD]

[41] Note marginale:
Marginal note:
This should be done with Jolliffe.

(b) Unlike the Canadian memorandum it fails to provide for the denial of assistance to naturalized persons who took up permanent residence outside the Commonwealth.

(c) We proposed that, for persons born in the Commonwealth, the test for acceptance of responsibility should normally be the last place of permanent residence in the Commonwealth. The United Kingdom proposal adheres to the test of place of birth.

3. As the first United Kingdom recommendation is not satisfactory to us, we are not (not) prepared to approve it. However, in actual practice during the liberation period, our instructions to Canadian Embassies in liberated countries and our requests to British missions in liberated countries in which there is no Canadian mission, do not (not) conflict with the United Kingdom recommendation.[42]

954. DEA/5970-F-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 376 Ottawa, March 12, 1945

CONFIDENTIAL

Sir,

I should like to refer to your telegram No. 378 of February 6th† regarding assistance for Canadian civilians in Germany in the post-hostilities period.

2. Our understanding is that payment of relief, and movement of British subjects to the United Kingdom, will be in the hands of the military, but that they will consult the Foreign Office representative, Mr. Dible, regarding each case.

3. We have requested, and the Foreign Office has agreed, that Mr. Dible should discharge this responsibility for Canadians as well as for other British subjects.

4. Enclosed are six copies of a memorandum for the guidance of Mr. Dible so far as Canadians are concerned. Two copies are for him, one for you and one for the Commissioner of European Emigration. If you think it desirable, you may give a copy to the Foreign Office and one to SHAEF, or either, for their information.

5. Also enclosed are four copies of a collection of individual reports on Canadians in Germany.† Two copies are in a binder for Mr. Dible. One copy is

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[42] Les notes suivantes étaient écrites sur cette copie du télégramme:
The following notes were on this copy of the telegram:
I agree. A. R[IVE]
Director of Immigration consulted and agrees with this line. A. R[IVE]

for you and one for the Commissioner of European Emigration. I do not think that there would be any object in giving copies to the Foreign Office or SHAEF.

6. Under separate cover the Supplies Branch is sending 500 copies of our questionnaire form. If Mr. Dible is willing to use this form, I suggest that he send only one copy of each completed questionnaire to you for transmission to us. Extra copies could be made either by you or by this Department. I do not think that Mr. Dible could be expected to make extra copies, as his secretarial facilities will be limited.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du ministère des Affaires extérieures

Memorandum by Department of External Affairs

TREATMENT OF CANADIAN CIVILIANS IN GERMANY IN THE POST-HOSTILITIES PERIOD

(Prepared by the Department of External Affairs, Ottawa, for the Assistance of the Foreign Office representative in Germany.)

Internees

The number of Canadian internees is not definitely known. In addition to those listed in the volume of individual reports† accompanying this memorandum, there are probably twenty more who were transferred to Germany from the camp at Giromagny in 1944 and whose names are not available.

Of those listed almost all are acceptable to the Canadian Government for purposes of relief and repatriation. This has been noted on the individual reports. Any Canadian internees not listed and not German-born may be assumed to be acceptable.

The cases of those who are inacceptable can be reconsidered on receipt of reports from the Foreign Office representative.

The Department of External Affairs would of course like to know as soon as possible what disposition is made of each internee.

Non-interned Persons

The number of non-interned 'Canadians' in Germany is something that cannot even be guessed. Of persons who are truly Canadian there are very few. However, there are probably hundreds of the following classes.

(a) German-born persons who were naturalized in Canada, who returned to Germany and whose naturalizations have not been revoked.

(b) Canadian-born children of German immigrants (some naturalized and some not) who returned to Germany with or after their parents.

During the past few months about sixty of such persons have approached the Swiss representatives with a view to inclusion in an exchange of civilians. Doubtless hundreds of others will, after the defeat of Germany, wave their Canadian credentials and demand relief or repatriation or both.

Most of the persons in these two classes are more German than Canadian. (Many of them may be German nationals under German law.) The Canadian Government does not wish them sent to Canada except in individual cases which have been specifically approved from Ottawa.

To state the Canadian Government's wishes in a simple rule, no person who has not been interned should be started on his way to Canada without express approval from the Department of External Affairs.

So far as relief is concerned, it is realized that this will be in military hands and that it may not be feasible to ask relief officers scattered over Germany to follow special rules for those British subjects who claim to be Canadians. However, the Canadian Government hopes that relief will not be given to persons of classes (a) and (b), as Canadians, unless such relief has been expressly authorized by the Department of External Affairs.

Questionnaires

If it is feasible for the Foreign Office representative to use them, the Department of External Affairs would be glad to have the Department's questionnaire form (a supply of which accompanies this memorandum) completed by each Canadian or alleged Canadian and sent to the Department. One copy will suffice.

In addition, in the case of non-interned persons, the Department would appreciate receiving full information regarding their activities during hostilities and their exact status under German law.

Channels of Communication.

It would be appreciated if the Foreign Office representative would communicate with the Department of External Affairs through Canada House, London.

955. DEA/3033-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 450 Ottawa, March 19, 1945

Sir,

With reference to your despatch No. 551 of March 14th regarding the current civilian exchange with Germany, we are greatly disappointed at the inclusion of only three Canadians [...].

So far as repatriating Canadians is concerned, these exchanges have been a failure.

If there is any possibility of a fourth exchange we trust that the Foreign Office will agree that the Swiss should be asked to include a definite quota of Canadians. Past experience suggests that such a request to the Swiss should be made immediately even if the exchange is months away. We would suggest 50 as a reasonable quota.

We would like the Swiss to choose the Canadians from the enclosed revised list[*] of Canadian internees; four copies are enclosed. In addition to those listed there may be some Canadian internees who were moved last fall from Giromagny to Marlag and Milag; they also should be considered, provided that any German-born person shall be excluded from consideration. We should be obliged if the Swiss would not consider any Canadians who are neither on the enclosed list nor in the ex-Giromagny group.

As the decisions against quotas for the various countries of the Commonwealth and against the nomination of individuals for repatriation were taken by the Commonwealth Civilians Committee, it is thought that the Committee should be informed of the action we are taking. Would you therefore specifically inform the Chairman. Should there be a meeting of the Committee in the immediate future the matter might be put before them, otherwise a statement should be sent to High Commissioners of each of the governments represented on the Commonwealth Civilians Committee. However, if there is possibility of an early exchange, it will be important to get this list into the hands of the Swiss as soon as possible and the approach to the Foreign Office should not be delayed pending discussion by the Committee.

Enclosed for your information and, if you wish, for that of the Foreign Office, are two copies of a memorandum regarding the inclusion of Canadians in past civilian exchanges with Germany.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de la section spéciale[43]

Memorandum by Special Section[43]

Ottawa, March 19, 1945

MEMORANDUM REGARDING THE SMALL NUMBER OF CANADIANS INCLUDED IN EXCHANGES OF CIVILIANS WITH GERMANY

In the first exchange at Lisbon in the summer of 1944, there were twelve Canadians out of some 900 British subjects. In the second exchange at Gothenburg in the fall of 1944 there were 18 Canadians out of about 500 British subjects. In the third exchange, which has just taken place at Gothenburg, there were 3 Canadians out of 250 British subjects.

Most of the 'Canadians' who have been included in the exchanges were not Canadian born, but were naturalized persons, born in Belgium, France or Poland, whose naturalization should have been revoked long ago for long absence from His Majesty's dominions.

There are about 80 Canadians still interned in Germany and most of them are Canadian born. So far as we know, only 19 of these have been proposed to the German Government by the Swiss Government for inclusion in possible exchanges. While apparently forgetting about these internees, the Swiss have proposed to the Germans for inclusion in possible exchanges some 60 non-interned persons, almost all of whom were born in Germany and naturalized in Canada. We have, through the Foreign Office, told the Swiss that we will not accept such persons, and that we wish them to give more consideration to our internees.

In view of the disappointing number of Canadians included in the exchanges to date, it may be worthwhile to review the arrangements and correspondence on this point.

April 3, 1944 The Commonwealth Civilians Committee in London discussed the procedure to be followed in choosing British subjects for inclusion in exchanges. The Committee came to the conclusion that it would be impracticable to suggest to the Swiss that a quota be assigned to each member of the Commonwealth in selecting repatriates.[44] The Committee also came to the conclusion that there should be no nomination of individual Commonwealth civilians to be included in exchanges. The Committee agreed on a list of priorities for the guidance of the Swiss.

May 1, 1944 Following a decision of the Commonwealth Civilians Committee, the Foreign Office sent instructions to the British Minister in

[43] M. Wershof.

[44] La note suivante était dans l'original:

The following footnote was in the original:

We had suggested, at the end of January, 1944, that there be quotas for each member of the Commonwealth. The Foreign Office opposed the suggestion, at least for the first exchange. We therefore dropped the suggestion and failed to revive it after the first exchange. (Our telegram No. 481 of March 16, 1944, to Canada House†).

Berne to give to the Swiss a table of priorities for the guidance of the Swiss in selecting civilians for inclusion in exchange. Annexed is a copy of the two telegrams sent by the Foreign Office to Berne on this subject on May 1, 1944.[†]

August 14, 1944 We told Canada House in telegram No. 1647[†] that we were greatly disappointed by the small number of Canadians who had come out in the Lisbon exchange. We requested that the Foreign Office tell the Swiss of Canada's feelings in this matter. (At that time there was a thought that Germans from Canada might be included in the second exchange, and we therefore asked that the attention of the Swiss be called to this fact.)

August 18, 1944 It was definitely decided that it was too late to get Germans from Canada into the second exchange, which was to take place at Gothenburg at the beginning of September.

September 5, 1944 Canada House told us in telegram No. 2298[†] that they were sending a communication to the Foreign Office expressing our dissatisfaction with the small number of Canadians included in the Lisbon exchange and asking that this be brought to the attention of the Swiss. At this date, September 5, it was of course too late to influence the exchange then about to take place at Gothenburg. It was hoped, however, that the communication would have some effect in the event of a third exchange.

September 20, 1944 We told Canada House in telegram No. 2007[†] that we would be glad to see a third exchange, that in that event we would like to have Germans from Canada included, and that we would like the Swiss to be told that a larger proportion of Canadians and other Dominion nationals should be selected within the limits of the table of priorities.

September 22, 1944 At a meeting of the Commonwealth Civilians Committee our representative, Mr. Scott, said that he would like the suggestion to be made to the German Government that a higher percentage of Canadian and other Dominion nationals be included. It was agreed that this suggestion should be transmitted in the event of a third exchange being proposed to the German Government.

October 6, 1944 In telegram No. 2186[†] we reminded Canada House of our desire that the German Government's attention be called to the small number of Canadian and other Dominion nationals included in the first two exchanges and hope was expressed that the proportion of such persons would be greater in the third exchange, which was then under consideration.

December 12, 1944 The Foreign Office sent a lengthy note[†] to the Swiss Legation in London regarding the third exchange then under discussion. The note included the statement that "it was requested that a higher proportion of Dominion nationals than in previous exchanges may be repatriated." When copy of this note was received in Ottawa on December 20, the fact that there was no special mention of Canadian nationals was noted. However, there did not seem to be any point in asking the Foreign Office to supplement its note to the Swiss by making a special reference to Canadians, because at that time it was thought that the third exchange might take place within a few weeks and

there would obviously be no time for the Swiss to review any selections already made.

December 24, 1944 The Swiss Legation sent to the Foreign Office a copy of a note of December 23rd† from the German Government which said in part—"Should time allow, British Government's wish for repatriation of Dominion nationals will be complied with in concert with Swiss Legation in Berlin."

January 18, 1945 Having examined a list of non-interned German-born persons whom the Swiss had nominated to the Germans for inclusion in exchange, we informed London that we would not accept such people and that we did not understand why more of our interned genuine Canadians had not been nominated. It developed that the list to which we took objection was not for the third exchange but for a possible fourth exchange. We reiterated our objection to the list, even though it was for a possible fourth exchange, and asked that the Foreign Office take any action which might be feasible at that late date to secure the repatriation of a moderate number of interned Canadians in the third exchange. We gave a list of acceptable internees whom we wished to see included in an exchange, preferably the forthcoming third exchange.

January 26, 1945 We told Canada House in telegram No. 235† that we would like the Foreign Office to tell the Swiss of our hope that, even at this late date, it would be possible to include a moderate number of Canadian internees in the third exchange. Without specifying the quota we thought that 30 or 40 would be a reasonable number.

February 9th, 1945 Canada House said in telegram No. 436† that a fresh request had been sent to the Swiss to review its list for the third exchange to include more Dominion personnel.

956. DEA/3033-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH 989 London, April 7, 1945

Your despatch No. 450 of March 19th, civilian exchanges with Germany.

1. In accordance with instructions contained in your foregoing despatch, we communicated with Foreign Office in sense indicated (see my despatch No. 692 of March 30th).† Answer has now been received indicating that while United Kingdom appreciates Canadian disappointment, it is wondered whether Canadian authorities overlook fact that agreement for the exchange expressly covers both interned and non-interned civilians, and that the selection of repatriates by the Swiss had been based on a carefully drawn up table of priorities agreed to by all Commonwealth Governments. It is also stated that "......in reply to instructions to include a large proportion of Dominion nationals in the last exchange, you will remember Swiss in their note of February 28th,

1945,† (my despatch No. 530)† stated that no more Dominion nationals in Category 1[45] were known to the Foreign Interests Division." It is known that the Swiss have nominated other Dominion nationals, but all of these were in Category 9.[46] This is the consideration which explains why so few Canadian nationals were included in the last exchange. Further, Foreign Office inform that there are still a number of Mixed Medical Commission cases who have not yet been repatriated, although there is no evidence on our files that this is the case. You will remember that repeated requests have been made to Swiss for these lists, with no apparent results.

2. United Kingdom authorities feel that the suggestion to have a quota in the event of a fourth exchange would be as unwelcome now as when the matter was originally discussed. Except in cases of urgency, Foreign Office oppose the nomination of individuals for repatriation as this means abandoning the policy of leaving the selection of individual repatriates to be carried out by the Protecting Power.

3. Preliminary steps are now being taken for the fourth exchange. It is proposed to send a telegram to Berne for transmission to the Swiss, for consideration by German authorities, (my despatch No. 692 of March 30th)† outlining the proposal for a further exchange of groups of German civilians, this time from India, Australia, Jamaica and South Africa, omitting any request for a particular group of British Commonwealth civilians, that is at our request, deleting paragraph 5 of Foreign Office telegram to Berne,† enclosed my foregoing despatch.

4. Revised list of Canadian internees enclosed your despatch No. 450, has been forwarded to Berne for consideration by Swiss.

5. You will appreciate from above that United Kingdom has strong views, and thus I wonder whether in view of the present military situation you may not feel that it would be wiser to not press for inclusion of a Canadian quota until German reaction to Commonwealth proposal is received.

6. Next C.C.C. meeting is April 12th, however, and matter could be included on agenda then if you thought desirable. Please let me have your instructions earliest.

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[45] Des personnes recommandées pour le rapatriement pour raisons médicales.
Persons recommended for repatriation on medical grounds.

[46] Catégorie générale pour les personnes qui ne figuraient pas dans les autres catégories.
General category for persons not falling under the other categories.

957. DEA/3033-40

Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs
to High Commissioner in Great Britain

TELEGRAM 863 Ottawa, April 12, 1945

Your 989 of April 7th, Civilian exchange with Germany, paras. 5 and 6.

In view of present military situation, you should take no further initiative for the present.

If question is raised, you may say that you have no further instructions.

958. DEA/3033-40

Extraits d'une dépêche du secrétaire d'État
aux Affaires extérieures au haut commissaire
en Grande-Bretagne

Extracts from Despatch from Secretary of State for External Affairs
to High Commissioner in Great Britain

DESPATCH 596 Ottawa, April 18, 1945

Sir,

With reference to your telegram No. 989 of April 7th regarding civilian exchanges with Germany, we are of the opinion that the reasons, expressed in our despatch No. 450 of March 19th, for Canadian dissatisfaction with the results of past exchanges have not been adequately appreciated by the United Kingdom authorities who have therefore been unwilling to consider favourably, the various possible safeguards of Canadian interests which have from time to time been proposed by your representative on the Commonwealth Civilians Committee. As indicated by our telegram No. 863 of April 10th, [12] we do not wish you to press our views on the Foreign Office for the present, in view of the imminent collapse of an effective German Government with which it may be possible to deal in arranging further exchanges through the Swiss, nor would any useful purpose be served now by again communicating to the Protecting Power our dissatisfaction with past nominations for exchanges. However, should proposals for further civilian exchanges ever again appear feasible, you may wish to bear in mind the following considerations in reviewing our experience of past exchanges.

According to your telegram under reference, the Foreign Office justifies Swiss nominations on the ground that they have been based on the scale of priorities governing Commonwealth-German exchanges of civilians established a year ago (Foreign Office telegram No. 1339 of May 1st, 1944).† We agree that, so far as we know, the Swiss can claim with some justification that they have followed faithfully this scale of priorities and that there have simply been comparatively few Canadians of high priority in German hands.

Nevertheless, we still contend that, while the strict letter of the priorities agreement may have been kept by the Swiss, it has been manifest from the lists of exchangeable civilians prepared by them, that their nominations have not been made from among those persons with close and genuine ties with Canada but from among all persons claiming Canadian nationality. The Canadian argument is therefore a criticism of the Swiss policy of selection in as much as the Swiss have not adhered to the specific request (Foreign Office telegram No. 1338 of 1st May, 1944)[+] of the Commonwealth Governments to place in the higher categories only those civilians who are genuinely tied to the Commonwealth countries by families, homes, close business interests or long residence in the Commonwealth.

The secondary observation of the Foreign Office (as communicated in your telegram), to the effect that non-interned civilians were included on the same basis as interned civilians, is a correct statement of the agreement. Indeed it was the Canadian representative on the Commonwealth Civilians Committee in London who suggested at the second meeting of the Committee on 3rd April, 1944, that non-interned civilians should be included in exchanges since our information showed that many Canadians, including women and children, with a high claim to repatriation, had not been interned in Germany. In calling our attention to the fact that the exchange agreements specifically covered both interned and non-interned civilians, the Foreign Office does not explain why there have been so few Canadians on the exchanges.

Criticism of the Swiss nominations and selections on other grounds is severely hampered by lack of positive information. The number of Canadians repatriated by civilian exchanges to date, 33 out of a total of about 1,650 Commonwealth civilians, is certainly disappointing and gives rise to doubts as to the complete fairness of the selections. It was suggested by a Foreign Office representative at the second Commonwealth Civilians Committee, referred to above, that, as the Swiss seemed from their past selections to have less information regarding United Kingdom civilians in enemy hands than the Foreign Office, nominations for repatriation might be made with more fairness by the Commonwealth Governments concerned. The suggestion was turned down for reasons not stated in the minutes; probably the Governments concerned did not wish to lay themselves open to charges of favouritism. The Committee therefore contented itself with requesting the Swiss to be guided principally by the genuineness of the claims of civilians to Commonwealth nationality, a request which, it is held, the Swiss seem to have neglected. [...]

If the application of the priorities is to be left to the Swiss, the only safeguard which might be applied in the interest of the repatriation of appropriate numbers of Dominion nationals, is some form of quota scheme. Quotas have already been proposed by the Canadian representative on the Commonwealth Civilians Committee (at the end of January, 1944 and at the end of March, 1945) but the scheme is not well received by the Foreign Office. Doubtless, quotas in the form of a proportion of the total number to be repatriated in the exchange would cut across the priorities scale which already makes the Swiss administration of exchanges a complex problem. Our

hesitancy in further complicating the Swiss standards of nomination is, however, outweighed by our conviction that in past exchanges both greater numbers of Canadians and greater care in selecting *bona fide* Canadians should have been exercised by the Swiss. In view of the unsatisfactory results of previous exchanges, we might well ask for a higher proportion in a quota scheme than that to which we would otherwise be entitled, though any suggestion of a definite number of Canadians before the total number for repatriation was fixed, would appear premature.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

959. DEA/5970-F-40

Le haut commissaire en Grande-Bretagne au sous-secrétaire d'État aux Affaires intérieures de Grande-Bretagne

High Commissioner in Great Britain to Under-Secretary of State for Home Affairs of Great Britain

CAS. 9/1 London, October 15, 1945

Sir,

I have received fresh instructions from Ottawa regarding the handling by the Canadian authorities in the United Kingdom of Canadians and self-styled Canadians who may arrive here from Germany and Austria.

2. As you know, there are a great number of persons in Germany who at one time or another have lived in Canada and while in Canada have taken out naturalization papers. Many of them later returned to Germany and identified themselves with the Nazi state. Now that Germany has been defeated, they endeavour to put themselves forward as genuine and loyal Canadians. You are also aware that it is the view of the Canadian authorities that, in general, persons in this category should remain in Germany and should have their naturalization revoked. Efforts are made to stop such persons leaving Germany, but occasionally they slip through.

3. In the past the officials of the Home Office have referred to Canada House Canadians and self-styled Canadians arriving in this country from Germany or Austria, who have no private hospitality offered them or private means of support.

4. I am now informed that the Canadian authorities have decided they should not assume any financial responsibility for such repatriates upon their arrival in this country, until in each individual case the approval of the appropriate Canadian authorities has been given. I am therefore under instructions to ask that the United Kingdom officials who receive repatriates from Germany or Austria claiming to be Canadians (even if they are documented as Canadians) should not direct them to Canada House if it is intended that they should be

given immediate assistance, as it will not in some cases be possible for assistance to be given.

5. It is requested that such repatriates should be treated in the same fashion as the United Kingdom authorities treat their own nationals who are in a like financial condition. I believe it is your custom to send them to hostels or other institutions set up for the purpose, and that most frequently they go to Lintwhite Hostel, Bridge of Weir. We should be grateful to be informed, as we have been in the past, of the arrival of these repatriates, and to have them instructed to communicate, if they wish assistance, to the High Commissioner for Canada, Canada House, Trafalgar Square, London, S.W.1.

6. I am further to say that in the event of these repatriates being later accepted as Canadian responsibility, the Canadian Government will reimburse the United Kingdom for any expenses incurred in their behalf. In many cases the decision can be made in Canada House upon the basis of instructions already received from Ottawa. In others, the decision of Ottawa will have to be sought.

7. May I repeat that this new policy applies only to repatriates from Germany and Austria. For those from other countries the present arrangements are satisfactory.

8. I do not wish to close this letter without telling you how much the Canadian authorities appreciate the prompt, considerate and skilful handling of Canadian nationals on the part of officials of the Home Office upon their arrival in this country.

9. I am venturing to send a copy of this letter to the Under-Secretary of State for Foreign Affairs and to the Dominions Office. I enclose a copy of a letter I am writing to the Foreign Office.[†]

I am etc.

[VINCENT MASSEY]

SECTION B

DE L'ASIE

FROM ASIA

960. DEA/4464-A-40

Mémorandum du chef, la direction spéciale, au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Head, Special Division, to Under-Secretary of State for External Affairs

Ottawa, December 16, 1944

RE: EVACUATION OF CANADIANS FROM PARTS OF FREE CHINA

I should like to call your attention to paragraph 8 of despatch No. 597 of November 22nd from the Canadian Embassy in Chungking[†] regarding the

evacuation of British subjects, including Canadians, from parts of Free China threatened by the Japanese advance.

Paragraph 8 reads as follows:

"8. No provision is being made to evacuate British of Chinese race on the principle that their recognition as Chinese citizens by the Chinese Government provides a protection that is not available to purely British subjects."

In our correspondence with the Canadian Embassy in Chungking and with Canada House on the subject of relief for Canadians in Free China (to be found on file 3274-A-40) this Department has taken the line that there should be no discrimination against Canadians of Chinese race.[47]

I do not know whether it is feasible or desirable to assert that principle at present in relation to the problem of evacuating British subjects from parts of China. We do not know how many Canadians of Chinese race there are in the parts of China from which British subjects are being evacuated. The chief difficulty in the way of asserting our own point of view is that the Canadian Embassy is dependent on the United Kingdom authorities for getting people out of China to India.

However, I thought that your attention[48] and the Under-Secretary's attention should be called to the above quoted statement by the Canadian Embassy.[49]

A. V. R[IVE]

961. DEA/52-JF-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 694 Ottawa, May 10, 1945

Sir,

I have the honour to inform you that the question of coordination of action on behalf of prisoners of war and civilians in Japanese hands as between the various Allied Governments concerned is under consideration.

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[47]Note marginale:
Marginal note:
In the special circumstances of this evacuation I don't think this question of principle should be raised. R[OBERTSON]

[48]Ce mémorandum fut rédigé par M. Wershof et adressé à A. Rive qui l'adressa ensuite à N. A. Robertson.
This memorandum was drafted by M. Wershof and addressed to A. Rive who in turn addressed it to N. A. Robertson.

[49]La note suivante était dans l'original:
The following note was in the original:
See our despatch of Nov. 27 to Canada House† on 3274-A (attached) which is flagged in that file. A. V. R[IVE]

2. As you are aware, the coordination of activities on behalf of prisoners of war and civilians in Japanese hands is now undertaken as regards the Commonwealth by the Imperial Prisoner of War Committee for POW's and the Commonwealth Civilian Committee for civilians. There is also some consultation between the Post-Hostilities Planning Committees in London and Ottawa. Planning of post-hostilities repatriation of Service Personnel has been discussed direct with the War Office by Canada House but post-hostilities arrangements for civilians do not appear to have been discussed inter-Governmentally.

3. Coordination of policy between the Commonwealth Governments and the Governments of the United States and the Netherlands appears to be somewhat haphazard. As regards the Services, it is understood that there is some consultation between United Kingdom and United States Chiefs of Staff in Washington. Other matters are taken up by the U.S. Embassy in London with the Foreign Office, or by the British Embassy, Washington, with the State Department. The Canadian Government is sometimes consulted through the Canadian Embassy at Washington and sometimes through Canada House.

4. As the campaign progresses in the Pacific, it is evident that Washington is exercising more and more influence on policy regarding Allied prisoners of war and civilians in Japanese hands. It seems probable that this trend will continue and that if the Commonwealth Governments are to share in the shaping of policy, consideration should be given immediately to the setting up of an Inter-Governmental Committee at Washington to deal with problems of relief of Allied service personnel and civilians in Japanese hands during hostilities and with their care and repatriation as they are liberated.

5. It is felt here that unless immediate action is taken along these lines the Dominion Governments will find that decisions affecting their nationals in Japanese hands are being taken by the U.S. military authorities without their knowledge.

6. Our idea would be that the proposed Inter-Governmental Committee at Washington should nominally consist of the heads of the Missions at Washington of the United Kingdom, Canada, Australia, New Zealand, South Africa, India, the Netherlands and all other Allied countries sufficiently interested together, of course, with a representative of the U.S. State Department. It would be desirable that a reasonably senior officer of each Mission would attend the meeting for the head of his Mission together with a Service Adviser for those countries who have prisoners of war in Japanese hands. A representative of the Combined Chiefs of Staff might also be asked to attend. We would envisage also that after the organization of the Main Committee Military and Civilian Sub-Committees would be set up.

7. In our view this Inter-Governmental Committee should not only operate during hostilities but also in the post-war period as long as might be necessary for the coordination of relief and repatriation of prisoners of war and civilians.

8. It should be kept in mind that Canada is keenly interested in problems of relief for prisoners of war and civilians in the Far East, and in post-hostilities

arrangements affecting both Service personnel and civilians. However, this interest is chiefly in the areas of Japan proper, the China Coast and Korea, first, because there are prisoners of war from two Canadian regiments which were at Hong Kong, as well as a considerable number of Canadian civilians, and, second because Canada is the one Commonwealth country adjacent to this area which is likely to have more or less direct communication with that area across the Pacific at the end of hostilities.

9. It follows that Canada would favour a geographical division of responsibility. Canada is well situated to render assistance in the Pacific area north of Indo-China, but not so well located with relation to Indo-China, the Dutch East Indies, Malaya and Burma. It seems probable that any possible relief for the Northern area during hostilities will have to be organized in North America, whereas the countries with access to the Southern area such as India and Australia would be in a better position to assist. It also seems probable that repatriation from the two areas would also have to be arranged in different groups, and that from the Northern area this would be affected through North America. If so, Canada would expect to have a share of responsibility. Unless we have an Inter-Governmental Committee it will be difficult to arrange division of responsibility and at the same time coordinate policy between the two areas.

10. I should be grateful if you would discuss this matter as early as possible when you have an opportunity with the Secretary of State for Dominion Affairs and report his views. It might also be useful if you would inform the High Commissioners of the other Dominions of this proposal. Copies of this despatch are being sent to the Canadian High Commissioners in Australia, New Zealand and South Africa with instructions to discuss this proposal informally with the appropriate authorities. We are also informing the Canadian Ambassador in Washington, but will tell him not to approach the United States Government for the present.

11. The Service Departments of the Canadian Government have been consulted and concur in the views set forth above.

I have etc.

J. E. READ
For the Acting Secretary of State
For External Affairs

962. DEA/52-JF-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH 1336 London, July 11, 1945

Sir,

I have the honour to refer to your despatch No. 694 of May 10th concerning the proposed Intergovernmental Committee for Prisoners of War and Civilians in the Far East, and to enclose a copy of a letter dated July 6th which I have sent to the Secretary of State for the Dominions,[†] asking his views upon this proposal. Somewhat similar letters have gone to the Secretary of State for India and to the High Commissioners for New Zealand, Australia and South Africa.[†] The letters to the High Commissioners, however, were sent simply for information.

2. I do not know how urgently you wish a decision upon this matter. As you know, it has been discussed informally between the officers in Canada House and in the United Kingdom departments most concerned over a period of some weeks, and while no unfavourable views have been expressed, not much progress towards a reply seems to have been made. It will have occurred to you that the United Kingdom officials may wish to proceed some distance in their planning and in the communication of their plans to Commanders in the field, before committing themselves on our proposals. Thus they have nearly completed the drafting of a plan for the handling of prisoners of war in the SACSEA and Indian areas, and have prepared drafts of directives for the United States Commanders. These only concern prisoners of war and thus the War Office; the Foreign Office has displayed no eagerness to complete plans for civilians.

3. How far the War Office will wish to carry their own planning before expressing their views upon the proposals I do not know. They now intend to put the SACSEA plan before a special meeting of Sub Committee A[50] late this week; the plans for United States Commanders, of course, must in any case go through Washington. A speculation may be ventured that when the SACSEA plan has been dispatched to the Far East, and the United States Commanders' draft has gone to Washington, the War Office will express its views to Dominions Office on the proposals for a Washington Committee. Upon the basis of experience in the European field, it may be guessed that the Foreign Office will not wish to delay an answer pending the preparation of similar plans for civilians. They have never been diligent in planning this sort of thing. However, this may be a miscalculation; they have in general displayed somewhat more interest in their people in the Far East than in those in Germany.

4. It is at any rate quite likely that the Dominions Office answer may not arrive very quickly. Should this be against your interests, I hope you will let me know and send any suggestions you may have for speeding the decision. One method would be to put it before a special meeting of either (a) Commonwealth Civilians Committee and Sub-Committee A, or (b) Commonwealth Civilians Committee and the Imperial Prisoners of War Committee. This approach is slightly prejudiced by the fact that Ottawa has already sought the

[50]Un sous-comité du Comité impérial sur les prisonniers de guerre qui traitait des politiques et de l'administration générale.
A sub-committee of the Imperial Prisoners of War Committee which dealt with policy and general administration.

opinion of the Dominions Governments in their own capitals, but this handicap could be overcome by your requesting those Governments to instruct their representatives here. I fear an obstacle in the way of a speedy decision by any method is that the India Office will have to discuss the question with the Government of India. All other Governments have had time to think the matter over as a result of formal or semi-formal communications, but it was realized rather late in the day that India had not been consulted except by a completely informal talk between Mr. Scott and Mr. Swinnerton.[51] As I have previously mentioned (my telegram 1768 of June 22nd),† India's difficulty will be the provision of a representative of adequate seniority in Washington.

5. It will not, of course, be possible to imply to the United Kingdom that there has been undue delay in their answer, as the formal communication has so recently gone.

6. So far as known here, the only reply you have received from a Dominion Government is that from Australia contained in your despatch 803 of June 2nd.

I have etc.

VINCENT MASSEY

963. DEA/7648-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1834 Ottawa, August 10, 1945

IMMEDIATE. 1. Understand Foreign Office may be sending instruction immediately to British Consul Manila to approach MacArthur's Headquarters with a view to securing permission for British Consular officers to go as far forward as possible, (and at least as far as Chinese and Japanese ports) to handle British civilians liberated by U.S. forces. Desire is to give assistance and make a preliminary screening.

2. We contemplate sending to Manila a civilian officer in a consular capacity and may wish to send a civilian officer to Hong Kong, Shanghai or to Japan. Please request Foreign Office to make their request to MacArthur broad enough to cover such Canadian civilian officers.

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[51] Du département de l'Inde de Grande-Bretagne.
Of the India Office of Great Britain.

964. DEA/104-Bs

L'ambassadeur en Chine au secrétaire d'État aux Affaires extérieures

Ambassador in China to Secretary of State for External Affairs

TELEGRAM 224 Chungking, August 21, 1945

Hong Kong. 1. Arrangements are proceeding quietly and without serious (word omitted) except from Japanese who in Hong Kong area refuse to cooperate until surrender documents are complete. Chinese, British and Americans are all assisting. When team can enter Hong Kong, Kay[52] will be flown to Kunming by United States Army and join it there.

2. I am informed that there will be an enforced delay before the *Prince Robert* will be allowed to enter Hong Kong and Kay should be there in good time.

3. In my instructions to Kay I included the following:

"Relief work, which is being undertaken in all prisoner of war and internment camps in China theatre under General Wedemeyer's authority, is fully Allied in character and makes no distinction amongst nationals. It is 100 percent humanitarian. All resources are being pooled and all sufferers are being treated alike. It is my desire to cooperate with General Wedemeyer and all Canada's Allies in this same spirit. You will, therefore, consider yourself a part of the Allied effort and, subject to the directive which Captain of H.M.C.S. *Prince Robert* may have received as to the disposal of relief supplies which he is carrying, you will do what you can for all prisoners whom you find in need."

4. All other resources are being pooled without question and it is my opinion that you would want what Canada has to offer added to the rest. If you approve this policy please confirm to me and to the Captain of the *Prince Robert*.

965. DEA/7648-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2388 London, August 22, 1945

Far East repatriation, civilians.

1. Your telegram No. 1834 of August 10th. Foreign Office will comply, though now doubtful if Consular officers will go forward.

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[52] Attaché militaire, l'ambassade en Chine.
Military attaché, Embassy in China.

2. Foreign Office learn from McDermot, British Consul General, Manila, that you are sending two Foreign Service Officers there. As McDermot very short handed, Foreign Office requests you instruct these two officers, so far as their duties permit, to give general assistance to Consulate General in relief and repatriation work. I should like to tell them you agree.

3. McDermot has asked Foreign Office what advice forward teams should be given regarding repatriation of Canadian nationals of Japanese race, as well as Japanese wives or widows and Eurasian children of British subjects, and British subjects of Chinese race. McDermot thinks Americans will leave question of repatriability to British authorities, subject to security tests. McDermot's telegram was repeated to Washington as No. 84.† Foreign Office ask what answer regarding Japanese Canadians.

966. DEA/7648-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 1930 Ottawa, August 23, 1945

Your 2388, August 22, repatriation of civilians from Far East. External Affairs team consists of four men headed by E. H. Norman. They will go as soon as transport can be obtained. We will be glad to ask them to help British Consul Manila with non-Canadian British civilians so far as their duties with Canadians permit.

2. Please report on outcome of Foreign Office negotiation re sending consular officers to forward areas. If this plan is approved, one or two of our team would probably visit some forward areas.

3. Col. L. Cosgrave, Military Attaché of Canadian High Commissioner's Office in Australia, is going at once to Manila. His function is to look after both civilians and prisoners of war pending arrival there of our team and of NDHQ's team for prisoners of war. British Consul Manila has been notified.

4. Your para. 3. All cases of Japanese Canadians should be referred to us or to our team in Manila when it arrives. No (repeat no) Japanese Canadian should be started on way to Canada without our express authority.

5. We are airmailing copies of instructions† being given to our team.

967. DEA/104-Bs

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Chine

Secretary of State for External Affairs
to Ambassador in China

TELEGRAM 182 Ottawa, August 24, 1945

SECRET. Your telegrams 224[53] and 225.† Hong Kong.

1. No specific instructions have been given to Captain Creery of *Prince Robert* as all arrangements are being coordinated by the Force Commander. The Hong Kong force is now en route from Manus to Leyte and will continue to Hong Kong as soon as possible, probably arriving shortly after signature of surrender terms in Tokyo Bay.

2. We assume Admiral Nimitz[54] has been informed of *Prince Robert*'s mission through Admiral Fraser[55] with whom arrangements have been made. We understand Nimitz has turned over to Fraser control of all Commonwealth naval forces.

3. We agree that relief for prisoners of war and internees in Hong Kong area should be conducted on inter-Allied basis.

968. DEA/7648-C-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre

Memorandum from Under-Secretary of State for External Affairs
to Prime Minister

URGENT Ottawa, August 29, 1945

RE: REQUEST BY UNITED KINGDOM GOVERNMENT FOR HELP IN MOVING BRITISH PRISONERS OF WAR AND CIVILIANS FROM FAR EAST ACROSS CANADA EN ROUTE TO UNITED KINGDOM

Canada House has received from the United Kingdom Government a request for Canadian Government assistance in moving repatriates across Canada. It is not yet known how many may be moved across Canada; some will be moved across the United States and others will return to the United Kingdom by an entirely different route. However, the number across Canada might be in the thousands.

The Acting Canadian High Commissioner in London strongly recommends that the Canadian Government should agree without delay to offer this

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[53] Document 964.

[54] Commandant en chef, flotte du Pacifique des États-Unis.
Commander-in-Chief, United States Pacific Fleet.

[55] Commandant en chef, flotte du Pacifique britannique.
Commander-in-Chief, British Pacific Fleet.

assistance in view of the work which has been done by the United Kingdom authorities on behalf of Canadian internees and prisoners of war, both in Germany and the Far East.

The Department of National Defence (Army) is willing to assume responsibility for handling the British prisoners of war and merchant seamen in transit to the United Kingdom.

The Immigration Branch is willing to assume primary responsibility for handling British civilians in transit to United Kingdom but will need help from National Defence.

The communication from Canada House† says nothing of payment. I think that the United Kingdom Goverment must be intending to pay the "out-of-pocket" expenses in Canada such as the cost of rail transportation. The request for "assistance" means, I think, administrative assistance.

If you approve, we will immediately do the following:

1. Ask Canada House to tell the United Kingdom Government that we will give the utmost assistance; and ask Canada House to make sure that we are not being asked to bear the cost.

2. Ask National Defence (Army) to take charge, for the Canadian Government, of giving such assistance for prisoners of war and merchant seamen.

3. Ask the Immigration Branch to take charge, for the Canadian Government, of giving such assistance for civilians. (I think we should also ask National Defence to meet any requests from the Immigration Branch for help, especially as regards billets and medical service).[56]

969. DEA/7648-40

Mémorandum de la direction spéciale au conseiller juridique

Memorandum from Special Division to Legal Adviser

Ottawa, August 30, 1945

RE: MOVEMENT TO "FORWARD AREAS" OF EXTERNAL AFFAIRS OFFICERS BEING SENT TO MANILA TO LOOK AFTER CIVILIANS

Our telegram no. 1834 of August 10th to Canada House read as follows:

"1. Understand Foreign Office may be sending instruction immediately to British Consul Manila to approach MacArthur's Headquarters with a view to securing permission for British Consular Officers to go as far forward as possible, (and at least as far as Chinese and Japanese ports) to handle British civilians liberated by U.S. forces. Desire is to give assistance and make a preliminary screening.

[56] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Approved. W. L. M[ACKENZIE] K[ING] 31-8-45.

2. We contemplate sending to Manila a civilian officer in a consular capacity and may wish to send a civilian officer to Hong Kong, Shanghai, or to Japan. Please request Foreign Office to make their request to MacArthur broad enough to cover such Canadian civilian officers."

This telegram was based, I believe, on information received by telephone from the Canadian Embassy in Washington.

On August 11th, we sent EX-2931† to the Canadian Embassy in Washington, which read in part as follows:

"We have informed Canada House of the information received from you to the effect that the Foreign Office are instructing the British Consul at Manila to approach MacArthur's Headquarters with a view to securing permission for consular officers to go as far forward as possible to deal with liberated British civilians. We have told them to ask the Foreign Office to make their instructions to the British Consul at Manila sufficiently broad to cover Canadian civilian officers acting in a consular capacity. We have said we will want to send at least one such officer to Manila and may wish to send one to Shanghai, Hong Kong or Japan.

Please inform State Department of our intention to send one or more civilian officers in a consular capacity to Manila and that we may wish to have civilian officers go further forward to places where there are a large number of Canadian civilians, especially if screening is to be done before civilians reach the Philippines. Inform them also that we expect that the British Consul at Manila will be make an approach to MacArthur's Headquarters on our behalf with a view to securing permission for such officers to go forward."

On August 22nd, Canada House sent telegram no. 2388, which read in part as follows:

"Your telegram No. 1834 of August 10th. Foreign Office will comply, though now doubtful if Consular officers will go forward."

On August 23rd, we sent telegram no. 1930 to Canada House, which read in part as follows:

"Please report on outcome of Foreign Office negotiation re sending consular officers to forward areas. If this plan is approved, one or two of our team would probably visit some forward areas."

We have now received telegram no. 2482 of August 29th† from Canada House, which reads in part as follows:

"Your telegram No. 1930, paragraph 2. Forward movement of Consuls. Manila tells Foreign Office that, headquarters having now moved forward, it is impossible to get this permission. Manila advises diplomatic approach to United States and Chinese Governments and Foreign Office presumes you will make your own. Foreign Office says Chinese have been "dilatory" in agreeing to re-opening of British Consulates."

The Under-Secretary personally approved the first telegrams to London and Washington, and I gathered from Mr. Rive that the Under-Secretary hoped it would be possible for our men, or some of them, to visit forward areas.

In view of the latest report from London, my personal opinion is that we should drop the project. I think that we can trust the United States and United Kingdom military officials to move our civilians to Manila, where our officials can take care of them. I do not see how we can go formally to the United States and Chinese Governments with a request for permission for our officials to move to forward areas under U.S. or Chinese control unless we know exactly where we want to send our men.[57]

M. W[ERSHOF]

970. DEA/52-JF-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

DESPATCH 1463 Ottawa, September 1, 1945

Sir,

I have the honour to refer to your despatch No. 1612 of August 21st† concerning the proposed Inter-governmental Committee at Washington for the handling of Allied nationals in the Far East.

Due to the recent rapid course of events and the conclusion of hostilities against Japan, there would now appear to be no useful purpose in establishing the proposed committee in Washington.[58]

I am sure you will agree that most of the problems with which it was suggested the committee should deal are now being solved by other means and that there is no likelihood that such a committee could be formed in time to consider any residual problems.

I should, therefore, be obliged if you would inform the United Kingdom authorities that the Government of Canada has no further intention of taking steps toward the formation of the proposed committee at Washington.

I have etc.

J. E. READ
for the Secretary of State
for External Affairs

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[57] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Mr. Wershof
I think we can let this stand for a few weeks until Norman has had time to take stock of the position in Manila.
I would like him to get to Japan but am not sure that we would help by pressing the issue now. N. A. R[OBERTSON]

[58] Voir aussi la pièce jointe, document 804.
See also enclosure, Document 804.

971. DEA/52-JF-40

L'attaché, le haut commissariat en Grande-Bretagne,
au chef, la direction spéciale

Attaché, High Commission in Great Britain,
to Head, Special Division

CAS. 2/17 London, September 4, 1945

Dear Mr. Rive,

On the presumption that with the despatch of the contact teams to Manila for the handling of Canadian repatriates the Special Division will soon be over the worst of their rush of business, I venture to remind you of the danger that we may have overlooked, or may in the future overlook, the obligation we are under to keep other Commonwealth governments informed of our plans through intergovernmental committees here. The arrangements of all governments with which we are concerned for repatriation from the Far East, show how much taken by surprise we all were, and the United Kingdom Government has not given us as full information of their plans as they did in regard to Germany. Nevertheless, they have not done badly by us, considering their general practice of leaving more to chance and to officers in the field than we do. I realise also that we have a cause for complaint against the United Kingdom in regard to the proposed Intergovernmental Committee at Washington. However, that plan having failed, we now revert to the status quo and become bound once more to exchange views and news. In fact up to this moment the War Office have got nearly all their information through their own officers in Washington, the channel being External to our Embassy in Washington, to B.A.S.[59] Washington, to War Office. In turn, our general picture in Canada House of the arrangement, so far as it exists, is derived from copies of some of the B.A.S. telegrams to War Office. The consequence is that at the moment neither Canada House nor the War Office understand our plans, nor how far we are working with the United States and how far with the United Kingdom in the general arrangements.

It is equally and in some respects more important that we should be careful to live up to any agreements we have made with other Commonwealth governments through the intergovernmental committees. I am afraid, in the haste with which we are all moving, there may be cause for reproof. We sail pretty close to the wind, for example, if, as the newspapers report, we are sending relief goods for the exclusive benefit of Canadian nationals when there is a general understanding that all relief is to be distributed without respect to nationality.

The only complaint so far raised by the War Office is in regard to the amount you propose to pay our military repatriates. We are, however, on firm

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[59] British Army Staff.

ground here, as we gave Sub-Committee B[60] fair warning of our intentions. I have replied to the War Office to this effect and have not missed the opportunity of remarking that we tried very hard to have all such matters discussed intergovernmentally in Washington. The real purpose of this letter is to make sure that we shall be on equally firm ground if challenged on other matters.

I do not doubt that we may on occasion in an emergency have to depart from previous understandings but if we do, we should, if at all possible, seek the concurrence of other Commonwealth governments, or at the least, tell them what we have had to do.

Canada House itself would appreciate whenever possible a general statement of your plan, both for prisoners of war and repatriates, together with all the specific information which may be made available to us. It is only by such an understanding of your plan that we shall be able to avoid making mistakes here which may prejudice your policy.

I am fully aware of the stress under which Special Division has been working, and it is only in regard to the future that these remarks are meant to be applicable.

Yours sincerely,

S. MORLEY SCOTT

972. DEA/52-JF-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2572 London, September 6, 1945

Following from Scott, Begins: Far East repatriation.

Our information about Ottawa's plans is very fragmentary. It is perhaps for that reason that I feel increasingly that it is the unspoken intention of the Canadian services to bring Canadian personnel back by any available means, utilizing both British and United States resources when possible, but applying our own resources exclusively to the benefit of our own people.

On the chance that there is any justification for this feeling, I wish to indicate some arguments against such a policy.

1. By and large, the successful protection of Commonwealth prisoners of war and internees during the war and their successful repatriation by exchange, and after the close of hostilities in Europe, have been the result of close and

[60] Un sous-comité du Comité impériale sur les prisonniers de guerre qui traitait des questions financières.

A sub-committee of the Imperial Prisoners of War Committee which dealt with financial questions.

unselfish cooperation on the part of all Commonwealth countries. It would be a pity to destroy this record at the very close of the war.

2. We are bound by intra-Commonwealth agreements to coordinate our plans and to exchange information regarding our intentions. Specifically, we have agreed to directives for the British zone in the Pacific. We have not formally withdrawn from intra-Commonwealth arrangements for United States area.

3. Preferential treatment for Canadian nationals and exclusive application of Canadian resources to their benefit might well create resentment in other Commonwealth countries and would certainly arouse resentment among the United Kingdom departmental officials concerned in this work.

4. The Canadian services might argue that, once the men were back, bureaucratic indignation would not matter. However, External will continue for many months to need the assistance of United Kingdom officials, military and civil, in the handling of civilians. We cannot afford either to have the Consular and military officials in the field resentful or to antagonise the departmental chiefs in London who instruct those officials. By way of analogy, while it cannot be claimed that Foreign Office has done a perfect job in Europe, it would have been impossible for us to get along without their well-intentioned assistance. Ends.

973. DEA/52-JF-40

Le chef, la direction spéciale, à l'attaché,
le haut commissariat en Grande-Bretagne

Head, Special Division, to Attaché,
High Commission in Great Britain

Ottawa, September 13, 1945

Dear Mr. Scott,

I have for acknowledgment your telegram No. 2572 of September 6th, and your letter (CAS.2/17) of September 4th, both expressing concern that we have not fully communicated our plans in regard to Far East repatriation to the United Kingdom authorities and that we may be employing Canadian resources exclusively for the benefit of Canadian repatriates.

Since you sent these communications you have received our telegram No. 2065 of September 7th,[†] which was, to some extent, a résumé of our plans. I hope this may supply the answers to some of the questions you have in mind. I feel rather at a loss to know how to answer you fully because you have asked no specific questions and our "general plan" has been made clear for some time, i.e., that the British are asked to look after the repatriation of Canadians in British areas in the Far East and the United States are asked to repatriate Canadians recovered in United States areas in the same way they handle their own nationals. Canadian officers have been sent to Manila to work under U.S. authorities to assist in the latter operation.

I think that perhaps the anxiety expressed by United Kingdom authorities that they are not fully informed of Canadian plans arises because they spontaneously imagine Canadian planning is of far greater scope than it actually is. Similarly, I feel they must have exaggerated in their own minds the extent of Canadian "resources" which they fear may be used exclusively for the benefit of Canadians.

It may be of some value to comment on the paragraphs of your letter and telegram under reference.

First, the letter:

Para. 1. I am not aware of any information of possible use or interest to Sub-Committee 'A' which has not been passed to you. Again, I feel the United Kingdom is expecting more information than actually exists. I cannot imagine to what information you refer that has gone from us to War Office via our Washington Embassy and B.A.S. Beyond names and numbers of our contact personnel going to the U.S. area and transport arrangements for those people which our Embassy may have conducted, I can't see what information can have gone by this route. It is certainly not the channel by which we intend to pass information to the War Office. I fancy these messages went from B.A.S. to War Office solely as a result of the close contact between B.A.S. and our Embassy. In any case, we have not asked our Washington Embassy to take any action or pass any information regarding repatriation of Canadians from U.K. areas in the Far East. Transportation arrangements with the R.A.F. to the Phillipines for Canadian personnel was an ad hoc arrangement which fell into the Embassy's lap out of a blue sky. The only other matter connected with Canada which B.A.S., Washington, may have taken up with War Office is the arrangement to receive and move through Canada U.K. repatriates from the Far East. Our contact for this matter was the U.K. High Commissioner in Ottawa. However, through National Defence, B.A.S. learned of our willingness to help and pressed the matter, eventually getting results before Earnscliffe[61] did. Finally, I cannot conceive that War Office really wants to learn the last and smallest detail of our arrangements with the U.S. for repatriation arrangements in the U.S. area.

Para.2. I have not seen the newspaper reports to which you refer, stating that Canada is sending relief goods solely for the benefit of Canadians. We have sent Red Cross release kits to Manila just in case the U.S. authorities do not have enough to go around—these are available for anyone who needs them. Our Red Cross workers will coordinate their efforts with those of the Amcross and other Red Cross people on the spot. All Canadian Red Cross supplies are being pooled. *H.M.C.S. Prince Robert* has carried Australian (not Canadian) relief supplies to Hong Kong. There, too, all supplies and efforts are pooled for the benefit of all RAPWI regardless of nationality.

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[61] Le haut commissariat de Grande-Bretagne.
High Commission of Great Britain.

Para.5. I do not think we have anything further in the way of a 'general plan' to inform you of. We shall continue to pass you specific information as it arises. Please ask any specific questions that occur to you.

Secondly, the telegram:

Para 1. I shall have to hazard a guess at what you mean by "our own resources". They are: (a) Supplies. I have already dealt with these.

(b) Personnel. Our military teams have gone to Manila to work under U.S. Direction. Their primary job is to help Canadians but they will certainly help any others as directed by the U.S. authorities.

Our External team, headed by E. H. Norman, are to assist in the repatriation of Canadian civilians. They have also been instructed to give the British Consul-General in Manila whatever assistance they can.

(c) Transport. There is no Canadian transport, as such, available. By permission of the War Office, the *Letitia* is going to make a trip (perhaps two trips at the most) carrying Canadians to Vancouver, after which it returns to the British pool. If there is space, U.K. P.O.W. will also be carried to Vancouver. The U.K. can hardly object to this as they have agreed to it and in any event it is a U.K. resource and not Canadian.

The *Prince Robert* is a Canadian naval unit, but it is under U.K. command and carried supplies for general benefit.

(d) Reception and transport facilities in Canada. The U.K. have been offered fullest facilities.

I should think that any anxiety as to Canadian intentions to use her "resources" selfishly is completely unjustified and I trust you will correct any such impression if it should arise.

All of this comment applies to the U.S. area in the Far East. Canadian interest in the British area, in terms of Canadian repatriates, is very small and we are content to have the U.K. authorities bring them home as best they can as laid down in the SACSEA Directive.

I do feel that perhaps the U.K. has been unnecessarily exercised about lack of detailed information and [*sic*] our plans in the U.S. area, and I suspect it has something to do with War Office dissatisfaction that they are not coordinating all Commonwealth plans in the American as well as the British area.

I hope this letter will serve to answer most of your questions and to put at rest some of your doubts. If there is anything further that remains unclear please let us know.

Yours sincerely,

ALFRED RIVE

974. DEA/76478-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur aux États-Unis

Acting Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3701 Ottawa, October 20, 1945

Reference civilian repatriation Far East.

1. Recent information on routing of repatriation vessels makes it clear that the original plan to channel all repatriates through Manila has been superceded and that a considerable number of civilian repatriates are being routed via Okinawa.

2. As you know, our purpose in sending a team of External Affairs representatives to Manila was to insure that all alleged Canadian nationals would be processed and verified by our own officers before their repatriation to Canada was authorized. So far the majority of Canadian civilian repatriates have by-passed Manila, thus nullifying our arrangements. We realize that this change in routing has similarly upset American and British plans for handling civilian repatriates and, therefore, before taking any action to cope with the problem, we would be grateful to be informed whether the State Department or the United Kingdom authorities have made or are considering making any arrangements to meet the changed situation. It has occurred to us that it might be advisable to have one of our representatives transferred from Manila to Okinawa but before making any definite request for this, we should like to know whether the United States or United Kingdom authorities have established Consular representatives in Okinawa.

3. We should also appreciate receiving any information which you can secure of the present setup in Okinawa, including the facilities for processing repatriates, for holding doubtful cases pending authorization for repatriation and for dealing with those whose repatriation is refused.

4. As regards Shanghai, we understand that State Department officials are now established there and we should be glad to know whether reports on Canadian nationals and passenger lists of repatriates who embark at Shanghai can be expected from them. We are assuming that Shanghai being under United States control, the care or repatriation of Canadian nationals in that area is being undertaken by United States authorities. Please confirm.

5. We had considered the advisability of sending one of our team from Manila to Shanghai and have, in fact, instructed Campbell[62] to enquire of the United States authorities whether permission might be obtained for Power to proceed there. We have heard nothing further regarding this proposal and if, in the light of your report, it seems more useful to have a representative at Okinawa, we shall probably reconsider this plan.

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[62] De la direction juridique.
Of Legal Division.

6. For your information, our Embassy at Chungking has advised us that Brigadier Kay is en route to Shanghai to look over the situation and to give any assistance he can in repatriation of Canadians.

975. DEA/7648-40

L'ambassadeur aux États-Unis au secrétaire d'État par intérim aux Affaires extérieures

Ambassador in United States to Acting Secretary of State for External Affairs

TELETYPE WA-5437 Washington, October 22, 1945

Your EX-3701 of October 20th and my WA-5430 of October 22nd,[1] Repatriation Far East.

1. Special War Problems Division, State Department, are equally disturbed at repatriates by-passing Manila, but until they can determine how long this route will be used they do not propose to send any officials to Okinawa. In fact even the FBI, who were available at various Army Headquarters at a number of places where no State Department officials were located, are being withdrawn, and the Department of Immigration appears to be content with allowing the people to land in the United States and to screen them on arrival. S.W.P. are making strong objection to this.

2. British authorities did not believe that repatriates would continue to be sent other than through Manila and have made no plans.

3. Your paragraph 3. There does not appear to be any possibility of holding doubtful cases at Okinawa as the Army merely trans-ship the individuals as rapidly as possible, or send them right through if they are on a ship proceeding to the United States.

4. Your paragraph 4. As stated in my reference teletype, State Department have asked officials at Shanghai to send passenger lists whenever ships proceed direct to the United States. If passengers are being trans-shipped en route, such lists are of little value except perhaps to inform relatives that the repatriates have at least left Shanghai. The State Department officials are presumably in charge, not only of Americans but also apparently of British, as far as British Embassy knows. Actually the State Department officials are practically swamped as the Army has ceased to render assistance in delivering relief payments and State officials must assume this duty as well. Very little is really known of the situation and it is most fortunate that Brigadier Kay is visiting Shanghai.

976. DEA/7648-40

L'ambassadeur en Chine au secrétaire d'État par intérim aux Affaires extérieures

Ambassador in China to Acting Secretary of State for External Affairs

TELEGRAM 361 Chungking, October 29, 1945

Excellent reports are received from Kay and Power.[63] A survey of Canadians in the Shanghai area has been completed and the following facts disclosed:

1. Up to the present, 43 Canadians have been repatriated. There are 28 Canadians still in Shanghai, of which only 10 desire repatriation.

2. The last repatriation steamer sails about November 9th.

3. The balance of 241 (these figures from Kay and Power) on your approved list† are missionaries who desire to remain in China and many of whom have returned to their work.

4. There are five Canadian missionaries in Hong Kong too ill to be flown out. Kay is endeavouring to arrange for movement to Manila by ship.

5. Test messages filed in Shanghai at noon yesterday were received here in the late afternoon. As service is apparently becoming reliable, I suggest that all communications be routed this way so that I will be fully informed. I am using Government lines and British Signals.

PARTIE 5/PART 5

RAPATRIEMENT DES PERSONNES DE NATIONALITÉ CONTESTÉE
REPATRIATION OF PERSONS WITH DISPUTED NATIONALITY

977. DEA/621-MA-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au conseiller juridique

Memorandum from Under-Secretary of State for External Affairs to Legal Adviser

Ottawa, December 11, 1944

SUBJECT: U.S.S.R. SUBJECTS AMONG GERMAN PRISONERS OF WAR IN CANADA

The U.S.S.R. Ambassador has asked us to turn over to them citizens of the U.S.S.R. found among German prisoners of war in Canada. So far we have

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[63] Commis, ministère des Affaires extérieures.
Clerk, Department of External Affairs.

found two who claimed to be Soviet nationals and asked to see the Soviet representative. They have been released and are now on their way to Russia.

The Director of Prisoners of War takes the line, in a telephone conversation, that we should not hand over to the Russians any Soviet nationals who say they don't want to be handed over. I discussed this with the Under-Secretary on Saturday and he thinks that the Soviet Embassy might hold that any Soviet nationals among German prisoners of war must fall into one of two categories: either they voluntarily joined the German forces, in which case they are deserters from the Russian Army, or they did so under duress, in which case they will want to be repatriated.

Mr. Robertson is therefore inclined to the view that the only relevant fact is whether or not any man is a Soviet national; that if so, and the Soviet Embassy want him, he should be handed over willy-nilly.

If so, the only question which gives trouble is whether we are to regard nationals of the Baltic states absorbed by Russia as Soviet nationals.

Mr. Robertson has asked me to get your views and to consult you about a letter to Defence on this subject.

The file No. is 621-MA-40C. It has been sent to the File Room to be made up.[64]

N. A. R[OBERTSON]

978. DEA/621-LY-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 193 London, February 1, 1945

IMMEDIATE. TOP SECRET. At Moscow Conference last October, Foreign Secretary obtained from Marshal Stalin personal assurance that every care and attention would be given to ex-prisoners of war from British Commonwealth as soon as they were freed by Red Army. Since then United Kingdom Government have tried, through their military and diplomatic representatives in Moscow, to work out with Soviet authorities plan for giving effect to this assurance. Bearing in mind probability that large numbers of Russian prisoners of war in German hands would be liberated in western and southern Europe and in view of importance which Soviet Government are known to attach to reciprocity, United Kingdom Government proposed reciprocal agreement to

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[64] Les notes suivantes étaient écrites sur ce mémorandum:
The following notes were written on the memorandum:
I do not think that we can afford to break away from the position which we have held to for 5+ years; namely, that we keep on faith with the P[risoners] of W[ar] Conv[ention] 1929 and with international law.
I think that we are bound to keep a German soldier, who has surrendered, as a p[risoner] of w[ar] and that we should only transfer him to Russia, U.S.A. or England at his own request. His nationality is irrelevant. J. E. R[EAD]
noted. N. A. R[OBERTSON]

govern treatment during period before surrender of Germany of Soviet prisoners in enemy controlled camps when liberated by Allied armies and of British Commonwealth prisoners in enemy controlled camps when liberated by Red Army. Agreement proposed was on lines very similar to those discussed recently here between representatives of United Kingdom Departments, of Dominion High Commissioners and of S.H.A.E.F. and A.F.H.Q. Before present Russian offensives started, United Kingdom Government made clear in Moscow that they wished to reach agreement on this subject as soon as possible, but it was not till January 20th that Soviet Government communicated to United Kingdom Embassy their views in a draft reciprocal agreement. Draft very closely [*follows?*] lines of our own proposals except for new Article referred to in last three paragraphs of this telegram.

2. Soviet Government have been informed in reply that their proposals for reciprocal agreement are generally acceptable to United Kingdom but that, in view of integrated nature of British-American Commands in western and southern Europe, we regard it as essential that agreements on these lines should be concluded by Soviet authorities with both British and United States authorities in identical terms and should be regarded by Allied Commander-in-Chief in both theatres as workable. Further, that we attach great importance to reaching final agreement on precise terms between three Governments as soon as possible and that Foreign Secretary is in favour of this being done at impending Conference of heads of the three Governments.

3. Contact officers have been for some time in readiness to proceed to Russia, but final arrangements have not yet been approved by Soviet authorities. We hope that once main agreement has been concluded, agreement in Moscow on this and other details will follow more rapidly.

4. The Article in Soviet draft about work lays down that ex-prisoners of war (with exception of officers) and civilians may, pending their repatriation, be employed on work in aid of common war effort as to which competent Soviet and British authorities shall agree among themselves. We have given very careful consideration to this proposal (which of course has political aspect) and have reached conclusion that the Article in question should be accepted on following grounds.

(a) Separate agreement under negotiation between United Kingdom and Soviet Governments regarding treatment of Soviet nationals captured while serving in German forces and now in this country provides for employment in United Kingdom pending repatriation and many are now at work. To this extent principle has thus already been laid down.

(b) There are large numbers of Russians in similar category on S.H.A.E.F. hands and many more may be expected. Without right to put them to work, S.H.A.E.F. fear that it will prove extremely difficult to control them.

(c) Agreement elsewhere provides for access to camps and repatriation as quickly as operational conditions permit. By terms of Article in question, it will be possible to ensure that conditions of work are tolerable.

5. We, therefore, feel that this particular proposal should be accepted, subject to provisions to ensure:

(a) That British Commonwealth ex-prisoners of war liberated by Russians would on release automatically resume their status as members of His Majesty's forces under command of British officers and that, if employed on work for war effort, pending repatriation they would be so employed only on that basis and in environs of camp where they were situated.

(b) That in the case of men's camps arrangements would be made for despatch of officers to take command of prisoners of war on liberation.

(c) That repatriation of all British subjects liberated by Russians at earliest possible moment would be sole consideration to be taken into account in deciding their subsequent movements and they should not be moved, e.g., to suit labour requirements.

6. We should be grateful for very early comments of Dominion Governments, if possible before February 5th, in order that they may be communicated to United Kingdom delegation at impending Conference. Full particulars have been communicated to Dominion representatives on Sub-Committee A[65] of Imperial Prisoners of War Committee where matter was discussed yesterday.

979. DEA/621-LY-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-568 Washington, February 1, 1945

MOST IMMEDIATE. TOP SECRET. Your EX-368,' liberated Allied and Soviet POW's. Following is text of Foreign Office telegram No. 884 of January 27th, Foreign Office to Lord Halifax, Begins: Addressed to Moscow telegram No. 437 of January 27, repeated to Washington, Caserta and Paris (for Mr. Peake). Top Secret. My immediately preceding telegram.'

Provisional re-draft of Soviet Government's draft relating to prisoners of war and civilians liberated by Soviet armies and Anglo-American armies.

Article 1.

All Soviet citizens liberated by the forces operating under Allied command and British subjects and American citizens liberated (?by) Soviet forces will, without delay after their liberation, be separated from enemy prisoners of war and will be maintained separately from them in camps or points of concentration until they have been handed over to the Soviet or Allied authorities, as the case may be, at places agreed upon between those authorites.

[65] Un sous-comité qui traitait des politiques et de l'administration générale.
A sub-committee dealing with policy and general administration.

Allied and Soviet military authorities will respectively take the necessary measures for the protection of camps and points of concentration from enemy bombing, artillery fire, etc.

Article 2.

The contracting parties shall ensure that their military authorities shall without delay inform the competent authorities of the other party regarding citizens or subjects of other contracting party found by them, and will undertake to follow all provisions of this Agreement. Soviet and Allied repatriation representatives will have the right of immediate access into camps and points of concentration where their citizens or subjects are located and they will have the right to appoint internal administration and set up internal discipline and management in accordance with the laws of their country.

The outside protection of and access to and from camps or points of concentration will be established in accordance with the instructions of the Military Commander in whose zone they are located, and the Military Commander shall also appoint a Commandant, who shall have the final responsibility over all administration and discipline of the camp or point concerned.

The removal of camps as well as transfer from one camp to another of liberated citizens will be notified to the competent Soviet or Allied authorities. Hostile propaganda directed against contracting parties or against any of the United Nations will not be permitted.

Article 3.

Except in so far as the obligations set out in this Article may be affected by the obligations undertaken in connection with the use of UNRRA (or other agreed relief agencies) the competent Allied and Soviet authorities will do their utmost in the circumstances obtaining in any area and from time to time, to supply liberated citizens and subjects of contracting parties with adequate food, clothing, housing and medical attention both in camps or at points of concentration and en route, and with transport until they are handed over to the Soviet or Allied authorities at places agreed upon between those authorities. The standards of such food, clothing, housing and medical attention shall so far as possible be consistent with normal practice relating to military rank.

The contracting parties will not demand compensation for these or other similar services which their authorities may supply respectively to liberated citizens or subjects other than the contracting party.

New Article A.

Either of the contracting parties shall be at liberty to use such of its own means of transport as may be available for repatriation of its citizens or subjects held by the other contracting party. Similarly each of the other contracting parties shall be at liberty to use its own facilities for delivery of supplies to its citizens or subjects held by the other contracting party.

Article 4.

The Soviet and Allied military authorities shall make such advances on behalf of their respective Governments to liberated subjects and citizens of the other contracting party (? gr[ou]p undec[iphered]) as competent Soviet and Allied authorities shall agree upon beforehand.

Advances made in currency of any enemy territory or in currency of their occupation authorities shall not be liable to compensation.

In the case of advances made in currency of liberated non-enemy territory the Soviet and Allied Governments will effect, each for the advances made for their citizens or subjects the necessary settlements with the Governments of the territory concerned, who will be informed of the amount of their currency paid out for this purpose.

Article 5.

Ex-prisoners of war (with the exception of officers) and civilians of each of the contracting parties may until their repatriation, be employed on work in the furtherance of the common war effort in accordance with the Agreement to be reached between the competent Soviet and Allied authorities. The question of payment and the conditions of labour shall be determined by agreement between these authorities. (Note: Article 5 to be reserved for further consideration).

Article 6.

The contracting parties shall, wherever necessary, use all practicable means to ensure evacuation to the rear, of these liberated citizens and subjects. They (?? agree) to undertake to use all practicable means to transport liberated citizens and subjects to places to be agreed upon where they can be handed over to Soviet or Allied authorities respectively.

Article 7.

The contracting parties will give the fullest possible effect to the foregoing provisions of this Agreement subject only to the limitations in detail and from time to time of operational, supply and transport conditions in the several theatres. Ends.

Foreign Office telegrams Nos. 848 to 851 inclusive,[7] and Nos. 883 to 888 inclusive,[7] all dated January 27th, concerning the above subject, were received in Embassy late yesterday afternoon. They were so lengthy that it was intended to forward them under cover of a despatch, but my two immediately following teletypes, WA. 569[7] and WA. 570,[7] contain the texts of these telegrams for your information and correlation with F.O. 884, together with text of British Embassy telegram to Foreign Office of January 30th, just received in this office and setting forth U.S. views.

980. DEA/621-LY-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 302 Ottawa, February 3, 1945

IMMEDIATE. TOP SECRET. My 298 of February 2nd.† Your No. 354,† Top Secret D.O. Circular D.193 February 2nd, [1] 1945, and other correspondence concerning prisoners of war and liberated civilians on Russian Front.

The whole question has been considered by interested Departments and conclusions have been reached by reference to provisional redraft as referred to in Foreign Office telegram No. 884 of January 27th to Lord Halifax[66] and as referred to in your telegram No. 321.†

Generally, the position taken by you in discussions as reported in No. 321, met with approval. Following conclusions have been reached.

1. The Canadian Government is satisfied that negotiations at meeting of Heads of States should be handled by the United Kingdom on behalf of all members of the Commonwealth.

2. From the military standpoint, acceptance of draft proposals will facilitate the handling of the problems involved since it is clearly indicated that the appropriate military authorities are to work out detailed arrangements.

3. The fact that there is to be a single proposal on behalf of the Commonwealth and the USA and that the Commander-in-Chief in each theatre is to be consulted confirms the belief that detailed arrangements can best be worked out by our representative overseas.

4. Reference Article 1—Acceptable—Would like to make clear, that in the matter of personnel in the forces the designation "British subjects" should be as set forth in para. 3 of your No. 354 so that all those wearing uniforms of the Commonwealth Forces or as identifiable as Commonwealth Forces, should be treated as British.

5. Reference Article 2—Agreed—Feel it is essential that there should be immediate access to Camps by appropriate contact officers, also that Camp Commandants, appointed by the Military Command, be given clear instructions in order to avoid any possible conflict of authority, resulting from the clause which provides for the "internal administration and set up of internal discipline and management in accordance with the laws of the country concerned."

6. Reference Article 3—Agree, with new Article A included.

7. Reference Article 4—Not entirely clear, but prepared to agree in principle as this will no doubt be discussed in further detail at meeting in London.

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[66] Voir le document précédent.
See preceding document.

8. Reference Article 5—No objection—The following points might be brought to the attention of Military authorities when dealing with matters of detail.

(a) Members of the Forces should be employed under their own officers and NCO's.

(b) Status of NCO's should be clarified.

(c) Wherever possible, employment should be of normal military character, and definitely close to camp location and should conform to our normal military routine.

(d) Assume that senior Commonwealth Officer in charge of personnel would have latitude in deciding to what extent his men are capable of doing the work (physical fitness, mental, etc.)

(e) Assume that Commonwealth officers who are in charge of personnel will be briefed as to need of collaboration with Allies, in order that possible recrimination and repercussions may be avoided, when men are advised that they have to work.

(f) The suggestion has been made that there might be reservations to this article because of possible effect on public opinion. It is felt, however, that no action should be proposed that would appear to accord preferential treatment to Canadian personnel, unless similar treatment is also available to all other Commonwealth members of the Forces.

9. Reference Article 6—Agree subject to reservation (a) being discussed.

(a) Feel definitely there must be emphasized the desire of *earliest possible repatriation* within limits imposed by availability of transport and operational requirements.

(b) Assume consideration will be given to direct repatriation of Canadians, if this is practical and will eliminate delay. (Note: With regard to paras. 8 and 9—for reasons as already taken by you in your No. 321 and as put forward by South Africa, we are most reluctant to agree to provisions for compulsory labour but are unwilling to prejudice the successful working out of the arrangements on this issue. It is thought that every effort should be made to insure the earliest possible repatriation.)

10. Reference Article 7—Concur

11. Additional Comments

(a) Assume arrangements are contemplated for early notification of names and particulars of prisoners who are liberated.

(b) Normally, notification will be through regular channels (which might mean to War Office, thence to CMHQ, and then to NDHQ.) Is there any possibility of expediting through Canadian Embassy in USSR (even if passed for information only and subject to confirmation later by London)? Canadian contact officers working in camps would probably have to sort out names in any event and might pass extra copy of list to Military Attache for transmission.

12. We have not made any comment upon the position taken by U.S. State Department with regard to Latvians, Lithuanians, etc. serving in United States Forces although our position and interests are similar as we have recruited a substantial number of aliens in our Forces.

13. (Copies of this telegram are being sent to Moscow and Washington.) We are informing South Africa generally with regard to the position taken in reply to theirs of February 2nd.[†]

14. After consultation with Overseas Prisoners of War Committee please reply in above sense to Dominions Office enquiry contained in their D.193 of February 1st. They have asked reply before February 5th.

981. DEA/621-MA-40

Mémorandum du conseiller juridique au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Legal Adviser to Under-Secretary of State for External Affairs

TOP SECRET Ottawa, February 3, 1945

RE: SOVIET NATIONALS AMONG GERMAN PRISONERS OF WAR IN CANADA

1. I am enclosing the following documents for consideration

(a) despatch addressed to the Soviet Ambassador.[†]

(b) memorandum prepared in the Special Division.

2. If this question were being considered on its own merits and without regard for action taken elsewhere, it would be difficult to avoid the conclusion that we were bound to treat the three prisoners concerned as prisoners of war and not to hand them over to any Allied Government. The departure from the principle of treating the uniform as the determining factor presents very great difficulties. If, for example, the Germans had turned over Canadian prisoners who were technically French nationals to the Vichy French for treatment, the Canadian Government would undoubtedly have raised very strong objections.

3. In view of the action of the United Kingdom Government in turning over very large numbers of prisoners of Soviet origin to the Russians, it is inconceivable that any action taken in Canada could be a determining factor in bringing about corresponding action by the Germans directed against members of the Canadian armed forces who are prisoners of war.

4. In these special circumstances, in order to avoid prejudices to the position of Canadian prisoners liberated by the Russian armies on the eastern front, it may be necessary to turn over these three men to the Soviet notwithstanding their claims of German naturalization. It is probable that the Soviet law would not recognize the legal effect of German naturalization in the circumstances.

5. The despatch as drafted does not commit the Canadian Government to turn over the prisoners, but merely commits the Government to bringing them to Ottawa to be interviewed by the Soviet representatives.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de la direction spéciale au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Special Division to Under-Secretary of State for External Affairs

TOP SECRET Ottawa, February 2, 1945

SOVIET NATIONALS AMONG GERMAN PRISONERS OF WAR

In the United Kingdom

22,000 persons of Soviet origin were discovered among the German prisoners of war taken by the British. After rather difficult negotiations which involved the treatment of British Commonwealth prisoners of war released by the Soviet Armies, the British Government agreed to turn over to the Soviet authorities the "prisoners of war of Soviet origin." 10,000 have already been repatriated and 7,000 others are destined to leave during the middle of February.

There is still some difference of opinion as to the definition of a Soviet national. Repatriation vetting has been done jointly by the Foreign Office and the Soviet authorities. A number who claimed to be Poles were not returned. Some Russians were returned against their wishes.

The Soviet view is that the Soviet nationals among German prisoners of war should be returned as Allied soldiers and all proceedings seem to equate them with Commonwealth prisoners liberated by the Soviet Armies (vide telegram No. 321 of January 31st, from Canada House, Para. 1(b)).[†]

In Canada

On November 30th, the Canadian authorities turned over to the Soviet Embassy two prisoners of war in German uniform who claimed to be Soviet nationals, and who wished to be returned to the U.S.S.R. These two apparently provided the names of two others who were subsequently interviewed by the National Defence authorities, who discovered a third man in the same category. [...]

Each of these three men insists that he went through a process of naturalization in Germany (though he possesses no documentary proof), and that he does not wish to return to the U.S.S.R.

The Soviet Embassy is becoming very insistent concerning the interviewing of [...] by Soviet representatives. It must be decided whether these men [...] should be made available for interview by Embassy officials.

The real question of policy will arise if the three men during the interview, reiterate their claim to German nationality and unwillingness to be returned to the U.S.S.R. and the Soviet Embassy insists on having them. It will need to be considered with due regard for:

(a) The United Kingdom practice of returning such men against their wishes, and

(b) The absence of documentary proof of naturalization in Germany, and

(c) Our obligation under the Conventions.

If the Soviet authorities feel that such men "should be treated as Allied soldiers," it would be difficult for the Canadian authorities to adopt a contrary attitude, particularly as we have turned over to the Polish, French, and other United Nations Allies men of their nationality discovered among German prisoners of war in Canada.

Finally, it must be borne in mind that a failure to cooperate with the Soviet authorities with respect to men whom they regard as Soviet nationals might react to the serious detriment of the very large numbers of Canadian prisoners of war who are being, and will be, liberated by the Soviet Armies in Germany. In any case, the U.S.S.R. insist on tying the two questions together.

H. F. F[EAVER]

P.S.—The above is in conformity with the draft of an agreement between the United Kingdom and United States Governments and the Soviet Government, which is set forth in teletype WA-568 of Feb. 1st. The draft of Article I reads in part:

"All Soviet citizens liberated by the forces operating under Allied command and British subjects and American citizens liberated (?by) Soviet forces will, without delay after their liberation, be separated from enemy prisoners of war and will be maintained separately from them in camps or points of concentration until they have been handed over to the Soviet or Allied authorities, as the case may be, at places agreed upon between those authorities."

982. DEA/621-LY-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 227 London, February 6, 1945

MOST IMMEDIATE. TOP SECRET. My telegram Circular D. 193 of 1st February. We have considered further, in light of views expressed by Dominion Governments, question of proposed Agreement with Soviet Government regarding treatment of liberated prisoners of war. Essential object of Agreement is, of course, to secure repatriation at earliest possible moment. It seems to us, however, most important that, in meantime, position of our prisoners of war liberated by Russians should be safeguarded by some definite Agreement with Soviet Government. Otherwise, there will be no certainty what will happen to them or how they will be treated. We consider that, in all circumstances, best course would be to modify proposal referred to in paragraph 4 of my telegram Circular D. 193 to provide that work by ex-prisoners of war and civilians, pending repatriation, should be on voluntary, not compulsory basis. This is in accordance with suggestion made by Canadian and

Union High Commisioners in London. We are, accordingly, communicating with United Kingdom delegation at Three Power meeting asking them to try to secure agreement of United States authorities to our proceeding on this basis.

Should be glad to learn from you, most immediately, whether you would wish your prisoners of war and civilians to be excluded from Agreement on this modified basis. Pending reply from you, we are suggesting to delegation that Agreement should apply in the first instance to United Kingdom, with provision for subsequent inclusion of Dominions if desired.

We regret shortness of time available but we consider it essential to take opportunity of present meeting to reach final settlement of this matter if in any way practicable.

983. DEA/621-MA-40

Le sous-secrétaire d'État associé aux Affaires extérieures à l'ambassadeur en Union soviétique

Associate Under-Secretary of State for External Affairs to Ambassador in Soviet Union

CONFIDENTIAL Ottawa, March 16, 1945

Dear Mr. Wilgress,

I enclosed with my letter of December 4th† a copy of a memorandum† describing an interview between the representatives of the Soviet Embassy and two Soviet citizens who had served in the German army and who were brought to Canada as German prisoners of war. As was anticipated in that memorandum, the Soviet Embassy submitted to us a few days later the names of two other Soviet citizens in Prisoner of War Camps, and requested that an interview with them should be arranged.

Some delay in granting this request ensued because these two men [...] were said to have stated to the camp authorities that they were German nationals and that they did not wish to have their names disclosed to the Soviet Government. In the meantime, National Defence officers who had interviewed these two men claimed to have discovered a third man [...] whom they also classified as a Russian. In the course of the correspondence with the Soviet Embassy, who were becoming increasingly insistent, the names of all three men were communicated to the Soviet officials.

On February 12th an Agreement was concluded with the Soviet Government concerning, in part, the treatment of Soviet nationals found among German prisoners of war, in consequence of which we had three men brought to Ottawa for an interview with the Soviet officials. Prior to this interview two members of the Department of National Defence and Mr. Malania of this Department questioned them in an effort to establish their national status. A copy of the memorandum of February 26th setting forth the results of this interview is attached herewith.†

A meeting with the Soviet representatives was thereupon arranged and two of the men who had previously refused to be repatriated agreed to return voluntarily to the Soviet Union. The third man [...] succeeded in convincing the Soviet representatives that he was a naturalized German citizen, and the Embassy informed us officially a few days later that this man was of no further interest to them. I attach a copy of the memorandum of March 1st describing the interview between the Soviet representatives and these three men.†

The two Soviet citizens who were to be repatriated were returned to barracks after the interview and were at once provided with UNRRA battle dress, and at the request of the Soviet Embassy were taken to meet the Soviet Ambassador. Subsequently, by arrangement with the Soviet representatives, they were taken to Vancouver, where a Soviet official took charge of them and placed them on board a Soviet ship for repatriation to the U.S.S.R.

Yours sincerely,

H. H. WRONG

984. DEA/621-LY-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 34 Ottawa, February 7, 1945

MOST IMMEDIATE. TOP SECRET. Your Circular D. 227 and No. 25† of February 6th. Prisoners of war on Russian front.

1. We are most anxious to be included in any agreement reached by the United Kingdom with the Soviet Union,[67] believing, with you, that the position of our prisoners of war liberated by the Russians should be safeguarded.

2. We should, of course, prefer work to be on a voluntary basis as suggested by our High Commissioner.

985. DEA/8296-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 2717 Ottawa, November 16, 1945

We have been receiving enquiries from persons in Canada asking for assurances that their relatives who are now displaced persons will not be forced

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[67]L'accord entre les gouvernements du Commonwealth britannique et le gouvernment de l'Union soviétique fut signé le 11 février 1945. Voir Canada, *Recueil des traités*, 1945, N° 30.
The Agreement between the Governments of the British Commonwealth and the Government of the Soviet Union was signed on February 11, 1945. See Canada, *Treaty Series*, 1945, No. 30.

to return to their place of origin. Inquiries come for the most part from people of Ukrainian, Polish or Baltic origin and are made on behalf of relatives in Western Germany.

It is our impression that no displaced person in United Kingdom or United States zone or elsewhere within British or American jurisdiction will be forced against his will to return to his place of origin. We have not, however, been able to locate any authoritative statement covering all cases in this respect. Various statements in United Kingdom House of Commons all seem to refer to special cases only. We would be grateful for information concerning United Kingdom policy in regard to displaced persons who do not desire to return to place of origin, and for text of any public statement made on the subject.

986. DEA/8296-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3385 London, November 17, 1945

SECRET. Your telegram No. 2717 of November 16th.

1. A memorandum on repatriation to the U.S.S.R. of disputed persons has been prepared in this office and we hope to send it to you by next bag.

2. Briefly, United Kingdom policy is to repatriate to the U.S.S.R. only those persons whom the United Kingdom recognize to be Soviet citizens, that is persons who lived in the Soviet Union as it existed on September 1st, 1939. Those whose homes of origin are the Baltic States, Poland, east of the Curzon Line, or other places which were not before the war part of the Soviet Union are not repatriated unless they elect to go back. Repatriation of those whom the United Kingdom consider to be Soviet citizens is compulsory. Cruder methods of force are not permitted, but it is demonstrated to the persons concerned that resistance is useless. The United Kingdom consider themselves to be bound to this policy by the Agreement at Yalta[68] (see Dominions Office telegram Circular D. 273 of 12th February).[†] The United States have interpreted this Agreement differently and do not use constraint. There is some uncertainty here about United States and French policy, and I think accurate answers could better be secured in Paris and Washington.

3. Best public statement is answer given by Noel-Baker in Commons on 17th October. This answer concerned Baltic States only, but Foreign Office have authorized us to use following adaptation of Noel-Baker's statement if we wish:

"The United Kingdom have agreed with the Soviet Government that each of them will arrange for the repatriation of all the nationals of the other who are liberated by the forces under its command. Persons whose homes of origin were

[68] Voir Canada, *Recueil des traités*, 1945, N° 30.
See Canada, *Treaty Series*, 1945, No. 30.

outside the borders of the Soviet Union on September 1st, 1939, are treated as Soviet citizens for purposes of repatriation only if they so desire."[69]

4. United Kingdom, as you will have noted in Hansard, are loath to say that they use constraint and some care would have to be used on our part in formulating a public statement based on information we have received on a confidential basis.

987. DEA/8296-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A.578 London, November 19, 1945

TOP SECRET

Sir,

Further to my telegram No. 3385 of 17th November concerning the repatriation to the Soviet Union of persons whose nationality is disputed, I have the honour to enclose copies of the following documents:

(i) Memorandum by Mr. Holmes of my staff, entitled "Repatriation to the U.S.S.R. of Disputed Persons";

(ii) Covering note by Mr. Holmes concerning questions on this subject which have been raised in telegrams to you during your visit to London;

(iii) A comment on the memorandum by Mr. Scott of my staff.

2. As pointed out in Mr. Holmes' covering note, when you were in London you received telegrams from Canada protesting against what was described as forced repatriation of Ukrainians from the British and American zones of Germany and from France, to the Soviet Union.† The question was investigated at Mr. Robertson's request and the memorandum is an effort to provide background information which will enable you to answer questions concerning United Kingdom policy in this regard. Any information, of course, which we receive here concerning the policy of the United States and French Governments would be at second-hand. In Mr. Holmes' covering note there is contained a draft explanation of United Kingdom policy which has been approved by the Foreign Office for our use in public statements if we so desire.

3. It might be well in this connection to refer to your despatch No. 1881 of October 30th with which you enclosed a copy of despatch No. 1248 of October 30th to the Canadian Embassy in Washington concerning the means provided by the Soviet Government for the registration as citizens of the U.S.S.R. of persons who were residents of the western districts of the Ukrainian and Byelo-

[69] La note suivante était écrite sur cette copie du télégramme:
The following note was written on this copy of the telegram:
Transmitted in cypher. Should not be released except in paraphrase. R. G. RIDDELL

Russian Soviet Socialist Republics who are now living abroad. The information contained in this despatch has been communicated to the Foreign Office, who expressed great interest in it. Although no registration has been conducted, or proposed, by the Soviet authorities in the United Kingdom, they have done so in Italy, where apparently they let it be known that the registration was compulsory. For this reason they are particularly interested in the procedure followed in Canada. The Foreign Office state that the situation is in many ways very confused and they have promised to let us have shortly further information on the Soviet registration in Italy. This will be forwarded to you in due course.

4. Mr. Scott's and Mr. Holmes's memoranda you will note, reflect certain differences of opinion among United Kingdom officials. Mr. Scott's impressions have been gathered from the Prisoners of War Department of the Foreign Office, whereas Mr. Holmes's interpretations were given to him by the political officers of the Northern Department who are concerned with Anglo-Soviet relations rather than with the more human aspect of the question.

5. I am sending copies of this despatch, together with its enclosures, to the Ambassadors in Moscow and Paris.

I have etc.

VINCENT MASSEY

[PIÈCE JOINTE 1/ENCLOSURE 1]

Mémorandum du deuxième secrétaire, le haut commissariat en Grande-Bretagne, au haut commissaire en Grande-Bretagne

Memorandum from Second Secretary, High Commission in Great Britain to High Commissioner in Great Britain

TOP SECRET London, November 16, 1945

During the Prime Minister's stay in London he received two telegrams from Canada requesting his intervention to prevent what was described as the enforced repatriation of Ukrainians from British and American zones of Germany, and from France, to the Soviet Union. Mr. Robertson sent me these telegrams with the request that I should investigate the situation. After making brief enquiries at the Foreign Office I outlined the general nature of the United Kingdom policy and explained that as a good deal of the information contained in my memorandum had not been made public and had been given to me on a confidential basis I should like to check with the Foreign Office any reply which might be contemplated on the basis of this information. When Mr. Robertson left London he asked me if I would draft a reply and submit it to the Foreign Office.

In view of the fact that this situation, which is one of considerable complexity, is of obvious interest to many Canadians of Eastern European origin, and may be the subject of representation both inside and outside Parliament, I thought that it might be valuable to prepare a memorandum on the whole subject in so far as it can be interpreted in London. The attached

memorandum is based on information provided by the Foreign Office and by secret and confidential documents supplied to us by the Foreign Office or the Dominions Office. Any public statements based on this information, therefore, would have to be considered carefully.

In view of the fact that the questions raised in the attached telegrams require an accurate knowledge of United States and French policy I do not think that a final answer to the questions can be drafted in this Office. It might be useful, however, for the Department of External Affairs to have a brief statement of United Kingdom policy on the general subject which they could incorporate into an answer if they so wish. I have therefore received the approval of the Foreign Office for the following statement:

"The United Kingdom have agreed with the Soviet Government that each of them will arrange for the repatriation of all the nationals of the other who are liberated by the Forces under its Command. Persons whose homes of origin were outside the borders of the Soviet Union on September 1st, 1939, are treated as Soviet citizens for purposes of repatriation only if they so desire."[70]

This statement as drafted is based on an answer given in the House of Commons at Westminster on 17th October by Mr. Noel-Baker concerning United Kingdom policy with regard specifically to persons from the former Baltic States. The Foreign Office has agreed, however, that Mr. Noel-Baker's words may be applied to the larger question as well.

Along with the memorandum I am attaching copies of the two telegrams to the Prime Minister and Mr. Noel-Baker's answer on 17th October.†

J. W. H[OLMES]

[ANNEXE À LA PIÈCE JOINTE 1/SUB-ENCLOSURE TO ENCLOSURE 1]

Mémorandum du deuxième secrétaire, le haut commissariat en Grande-Bretagne, au haut commissaire en Grande-Bretagne

Memorandum from Second Secretary, High Commission in Great Britain, to High Commissioner in Great Britain

TOP SECRET London, November 16, 1945

At the Crimea Conference two separate Agreements were made with the Soviet Union concerning the repatriation of each other's citizens. One Agreement, signed by the countries of the British Commonwealth, was dated February 11th and the text may be found in Dominions Office telegram D. No. 273 of 12th February, 1945.† At the same time an identical Agreement was signed between the United States and the Soviet Union. According to this Agreement the British countries and the U.S.S.R. agreed that "all Soviet citizens liberated by Forces operating under British Command, and all British

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[70]La note suivante était écrite sur cette copie du mémorandum:
The following note was written on this copy of the memorandum:
Note: This statement was transmitted in cypher in telegram No. 3385 of Nov. 17 from Canada House. It should not be made public except in paraphrase. R. G. RIDDELL

subjects liberated by Forces operating under Soviet Command" would be repatriated. The chief intention of this Agreement was to make certain that the Soviet Government did not hold up the repatriation of British subjects on the grounds that Soviet citizens were being detained by the United Kingdom.

Although under the terms of this Agreement a very considerable repatriation has taken place on both sides, differing interpretations have caused a good deal of trouble. The matter was the cause of some considerable argument at the meeting of the Council of Foreign Ministers in London. The difference in interpretation concerns the meaning of the phrase "all Soviet citizens." A Soviet memorandum to the Council of Foreign Ministers referred to the failure of the other Allies to repatriate persons from the Baltic States, Western Ukraine, and Western Byelo-Russia "in accordance with the Yalta Agreement." The United Kingdom in a memorandum stated clearly that they did not recognize the Soviet Government's claim that these persons were Soviet citizens, and therefore did not regard them as liable to compulsory repatriation under the Yalta Agreement. The United Kingdom Government would return to their homes persons from these territories who expressed a wish to return, but persons who declared themselves unwilling to return would, as hitherto, be kept in camps to which the Soviet repatriation authorities would not be allowed access.

Although the question raised involved nationals of the former Baltic States, the chief discussion revolved around persons from the former Polish areas east of the Curzon Line. Mr. Molotov made it clear that his Government considered that the United Kingdom and United States had agreed at Yalta that Polish territories east of the Curzon Line should become a part of Russia. Mr. Bevin and Mr. Byrnes, however, insisted that although the three heads of Government had expressed their view that the eastern frontier of Poland should follow the Curzon Line, until this cession of territory had been recognized officially by their respective Governments they could not regard the former inhabitants of these areas as Soviet nationals. Mr. Molotov complained that no question had been raised at Yalta by the British or Americans concerning the meaning of the term "Soviet citizens."

United Kingdom policy is, briefly, to interpret the term "Soviet citizens" to mean people who lived in the Soviet Union as its boundaries existed on September 1st, 1939. All citizens of the pre-war Soviet Union, whether they wish to return or not, are sent back to the U.S.S.R. However, those who in September, 1939, were resident in territories which were not at that time part of the Soviet Union, are not forced to return to the Soviet Union if they do not wish to do so. With regard to those persons who were citizens of the pre-war Soviet Union the United Kingdom has maintained that they were bound by the terms of the Yalta Agreement to use constraint in repatriating them to the U.S.S.R. In their directives they have instructed their military authorities to do everything possible to persuade such persons to return. They do not sanction the use of handcuffs or extreme measures of force, but it is the policy of the military authorities to surround the persons concerned with soldiers, and in

general to make such a display of force in the background that the persons will consider resistance to be futile.

The United States policy, on the other hand, has been somewhat different, although they are bound by an identical Agreement with the Soviet Union. General Eisenhower has maintained that no force must be used in sending any persons back to the Soviet Union. The Americans make a distinction, also, with regard to Soviet citizens captured in German uniform. They maintain that it is the uniform rather than the nationality which matters, and they treat all persons captured in German uniform as prisoners of war.

Out of the United States attitude towards persons in German uniform has arisen one of the most embarrassing problems, and one in which it seems to be the view of the United Kingdom Government that the Soviet Government has some cause for complaint. There are in Italy at the present time a number of officers and men who served with the Germans under the traitor, General Vlasov. It is the view of the United Kingdom Government that these persons should be forcibly repatriated to the Soviet Union. They are, however, the responsibility of the Allied Commander-in-Chief in Italy, who accepts orders neither from the United Kingdom Government nor from the United States Government, but from the Combined Chiefs of Staff in Washington. In the Council of Foreign Ministers, when this matter was raised, Mr. Byrnes told Mr. Molotov that he would have no sympathy with any of Vlasov's men who were in the hands of the United States authorities. He promised to take this matter up again with his military authorities. The question has been referred to the Combined Chiefs of Staff in Washington. According to the understanding of the Foreign Office Mr. Byrnes has not yet been able to secure an agreement. There seems to be a difference of opinion as between Mr. Byrnes and the United States Service authorities. The United Kingdom are pressing for a decision which will result in the forcible repatriation of these men to the U.S.S.R.

One matter which has caused considerable difference of opinion is the question of the right of Soviet representatives to visit persons whom they consider to be Soviet citizens, but whom the United Kingdom and the United States do not. It is United Kingdom policy to separate from those whom they recognise as Soviet citizens those who are classified as "disputed persons." They have refused to allow Soviet representatives to visit the latter. It is their policy to give the Soviet repatriation authorities full information about, and unimpeded access to, camps and points of concentration of Soviet citizens as recognized by the United Kingdom Government in accordance with the terms of the Yalta Agreement. As for the disputed persons, the Soviet repatriation authorities are only allowed to interview them outside the precincts of the camps.

Citizens of the former Baltic States, that is, Latvia, Lithuania and Estonia, are treated as Soviet citizens for purposes of repatriation only if they so desire. In other words, although the question of the recognition of the Baltic States is a separate issue from that of the recognition of the cession of Eastern Poland to the U.S.S.R., persons whose homes of origin are in the Baltic States are treated

in the same way as those whose homes of origin were in Poland east of the Curzon Line. At the Council of Foreign Ministers Mr. Molotov showed little concern over persons from the Baltic States as he said that that matter had been virtually settled in practice.

The question of French policy is one which cannot be very clearly ascertained from London. The Foreign Office do not seem to be entirely sure of the policies which are being followed in the French zone or in France. They were recently assured, however, by a representative of the French Ministry of Foreign Affairs that the French were keeping in step with the United Kingdom on this matter. At the Council of Foreign Ministers M. Bidault was chiefly insistent upon securing reciprocity with the Soviet Union with regard to Alsatians who had been found in German uniform and whom the Russians had been reluctant to repatriate.

The question of the Polish-Soviet Agreement on repatriation and nationality which was concluded on 6th July was raised at the Council of Foreign Ministers. At that time Mr. Bevin pointed out to Mr. Molotov that the United Kingdom's only knowledge of this Agreement was what it had read in the press reports. Mr. Molotov agreed to provide copies of the Agreement. It was not until very recently, however, that this text was made available to the United Kingdom. It was found to rest on the assumption that persons coming from territories which had been ceded to the Soviet Union by Poland became Soviet citizens on the incorporation of these territories into the U.S.S.R., but provided that they might opt for withdrawal from Soviet citizenship before November 1st, 1945, if they so wished. One Article in the Agreement extended application of this provision to Poles at present outside the territories in question. After seeing the Agreement the United Kingdom Government decided that they were under no obligation to recognize the Agreement or the assumption on which it rested as applying to persons coming from ceded territories who were outside those territories at the time of their recent incorporation into the Soviet Union, that is in 1944 and 1945. (There seems to be great difference of opinion over the interpretation of this Agreement, and a special memorandum will be prepared on the subject after further discussions with the Foreign Office.)

In view of the fact that the particular question of concern is the repatriation of Ukrainians to the Soviet Union the policy of the Polish Government in this regard is not irrelevant. According to the Polish Agreement with the Soviet Government, the Ukrainian population to the west of the Curzon Line is to be allowed to opt for transfer to the territories east of the new frontier. Although many of these Ukrainians wish to remain in Poland the Poles are determined to remove them in order to realise their aim of a homogeneous Polish state. It is the understanding of the United Kingdom Government that Ukrainians are being forcibly expelled to the Soviet Union or else being made to opt under duress for transfer.

J. W. H[OLMES]

[PIÈCE JOINTE 2/ENCLOSURE 2]

Mémorandum de l'attaché, le haut commissariat en Grande-Bretagne au deuxième secrétaire, le haut commissariat en Grande-Bretagne

Memorandum from Attaché, High Commission in Great Britain, to Second Secretary, High Commission in Great Britain

London, November 17, 1945

My observations upon this memorandum are I fear purely academic. I don't think the United Kingdom negotiators at Yalta had in mind any forcible deportations except of bona fide Russians captured in German uniforms. I don't believe they envisaged the possibility of enforced return of uninterned persons at all. And I don't read the Agreement as calling for enforced return of anybody. It is clear from the surrounding documents that the Russians had uninterned civilians in mind, and they may well have envisaged compulsory return of civilians, but they did not succeed in writing it into the document. I do not think the agreement calls for compulsory return of Russians captured in German uniforms (the Americans are right). The British yielded in practice on this point partly because they did not care much, partly because their camps were overcrowded and chiefly because the Russians would not help our boys until theirs were on the boats.

However Yalta is a long way off and maybe the Foreign Office did not tell me all they were thinking.

When the Agreement was made Canada's only concern in this particular regard was that non-British persons in our uniforms should get home. For a while we supported the principle that nationality followed the uniform. However, the fear arose that if we began debating nationality no agreement would be reached at all. Hence the vagueness of the present text.

S. M. S[COTT]

988. DEA/8296-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5902 Washington, November 24, 1945

CONFIDENTIAL. Your EX-3947, November 16th,[†] displaced persons in Europe.

1. The following information as to American policy has been obtained from the War and State Departments and was provided on the understanding that very careful use be made of it in respect to individual enquiries. No definite statement has been made publicly, but a press release is expected in about two or three weeks. Individual enquirers are being told at the moment that, pending definite decisions, and in view of the number of people to be moved, no action

is being taken to compel the return of displaced persons to their former place of residence.

2. The actual directive to the United States military forces in Germany is to the effect that no United Nations national, Stateless person, national of a neutral State, or person persecuted because of race, religion, or activity in favour of United Nations will be compelled to return to his former domicile except to stand trial for a criminal offence.

3. Special considerations exist in the case of Soviet citizens who may or may not be covered by the Yalta Agreement of February, 1945. The repatriation of these persons is disturbing the Soviet repatriation representatives who have accused some of the Ukrainians of spreading anti-Soviet propaganda. The ultimate decision as to whether such persons will be forcibly returned will be taken at Government level, and in the interval the United States authorities are attempting to identify those Soviet citizens who are subject to the provisions of the Yalta Agreement, and Boards of officers are being set up for this purpose. Pending Governmental decision, none of these persons are being forcibly repatriated.

4. Some indication of the numbers and types of persons involved is given in the section on displaced persons of the monthly report of October 20th of the Military Governor in the United States zone, forwarded to you under despatch No. 2665 of November 14th.[†]

5. Although not yet available, it is my understanding that the report of the August Council meeting of UNRRA contains a reference to the discussions as to the supply of relief to individuals who refuse to return to their former residence. The Russians are believed to have asked that such persons be excluded from relief, but both United Kingdom and United States stated that such action was not administratively practicable and refused to comply. During the discussion, it was evident that United States and United Kingdom did not intend, at the moment at least, to pursue a policy of forcible return.

6. Other than indirect references, I am unable to locate any public statement on the subject.

7. I am sending by bag today an extract from the *London Times* of November 6th relating to the attitude of the Russians to the return of persons in their area normally resident in the western areas of Germany.

989. DEA/8296-40

Mémorandum de la deuxième direction politique au sous-secrétaire d'État associé aux Affaires extérieures

Memorandum from Second Political Division to Associate Under-Secretary of State for External Affairs

SECRET Ottawa, November 28, 1945

We have been receiving a large number of representations from Ukrainian organizations and their sympathizers protesting against the forcible return of

Ukrainian refugees to the Soviet Union. As you will see from the attached papers, inquiries have been made in both London and Washington in an effort to secure some definitive statement as to what actually was happening to refugees from Eastern Europe who did not want to return to Soviet territory. The replies reveal a situation which is far from clear, but I think the following points emerge:

1. The United Kingdom Government is not forcibly repatriating anyone to the Soviet Union unless he is a citizen of the U.S.S.R. as of September 1939. Persons from territories acquired by the U.S.S.R. since that date are repatriated only on a voluntary basis.

2. The United States is not repatriating anyone, Soviet citizen or otherwise, against his will, except in specific cases of persons who have to stand trial for a criminal offence.

3. No one is quite sure of French policy, which is being influenced by the desire of the French to get back Alsatians who were captured in German uniforms by the Russians.

One of the representations received is a telegram addressed to Mr. King while he was in London and signed by twenty-four members of Parliament.[†] In normal circumstances a specific reply should be made to this telegram and a general statement in regard to the other representations might also be issued. The Foreign Office has given Canada House a statement that could be used as the basis of a press release. This statement gives a general assurance that persons other than citizens of the Soviet Union as of 1939 are not being repatriated against their will. There are, however, certain difficulties which will arise in connection with any such statement.

1. The representations all refer to Ukrainian refugees in general, but there is evidence that Ukrainian organizations are particularly concerned about a group of Ukrainian nationalist leaders who were sponsored by the Germans. I do not think that any assurances we might give could, or should, cover the case of these persons.

2. The question of refugees and displaced persons is a source of friction between the U.S.S.R. on the one hand and the British and Americans on the other, and apparently there was an acrimonious discussion on the subject at the Council of Foreign Ministers. The Russians feel that the terms of the Yalta Agreement are not being fulfilled, and they are annoyed because the Americans are protecting people like Vlasov and his officers and other Soviet citizens whom they regard as traitors. They are also displeased because they are not given access in the British zone to camps containing displaced persons whose Soviet citizenship is not clearly established.

3. It is now clear that the question of the registration of Soviet citizens and the future of the Intergovernmental Committee on Refugees are both closely related to this general problem of displaced persons.

For these reasons I am not certain that it would be wise to make any statement at all on the question at the moment. I am, however, having an analysis made of the representations we have been receiving, and I will show

this to you when it is completed. In the meantime I would be glad to know if there is any further action you would like me to take.[71]

Should we send the information we have received from London to Washington and vice versa?[72]

R. G. RIDDELL

990. DEA/8296-40

Mémorandum de la deuxième direction politique au sous-secrétaire d'État associé aux Affaires extérieures

Memorandum from Second Political Division to Associate Under-Secretary of State for External Affairs

Ottawa, December 10, 1945

As you will see from the attached memorandum† we have been receiving a great many representations from Ukrainians in Canada and other interested parties on the question of the forced repatriation of Ukrainian refugees in Europe. Representations have been coming in on both sides of the question, the national Ukrainians basing their plea on general humanitarian grounds while the pro-Soviet Ukrainians claim that the appeal is being made on behalf of a small band of pro-German agitators.

So far no reply has been made to any of these communications, except in the case of a few of the earlier ones to which a routine acknowledgement was sent from the Prime Minister's office. I think, therefore, that we should decide the following two questions:

1. Whether some form of reply should be made to the twenty-five members of Parliament who sent a telegram on the subject to the Prime Minister while he was in London.

2. Whether a general reply should be made to the communications in the form of a press release or a statement in the House.

My own feeling is that it would be preferable to make no reply of any kind in either case and I attach for your consideration a draft note to the Prime Minister† acquainting him with the circumstances and suggesting that no action be taken. If, however, some reply is to be made to the twenty-five

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[71]Note marginale:
Marginal note:
No.

[72]Note marginale:
Marginal note:
yes. H. W[RONG]

members of Parliament, it would be useful to have it in such a form that it could be used publicly in dealing with the other representations.[73]

R. G. RIDDELL

991. W.L.M.K./Vol. 336

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister.

Ottawa, December 12, 1945

During the past few months we have been receiving numerous representations from Ukrainian groups in Canada and other interested parties in regard to the forced repatriation of Ukrainian refugees in Europe. These representations are of two kinds, and contradict one another. About fifty have been received from Ukrainian nationalist organizations protesting on humanitarian grounds against the return of Ukrainian refugees to Soviet territory. Approximately a dozen have been received from pro-Soviet Ukrainian organizations claiming that the appeals we have been receiving are inspired by a desire to find refuge for pro-German Ukrainian nationalist leaders such as Skoropadsky.

One of the representations on behalf of Ukrainian refugees was in the form of a telegram addressed to you in London and signed by twenty-five members of Parliament including Mr. Hlynka, Mr. Zaplitny and Mr. Tucker.

We have made inquiries in both London and Washington and find that no Ukrainian is actually being repatriated against his will unless he was a citizen of the Soviet Union before 1939 or has a criminal record. The whole question of displaced persons is, however, one of great difficulty at the moment. I would suggest, therefore, that we make no reply to any of the representations we have received concerning Ukrainian refugees and that we follow this policy even in regard to the telegram from the twenty-five members of Parliament.

N. A. R[OBERTSON]

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[73]La note suivante était écrite sur ce mémorandum:

The following note was written on the memorandum:

Mr. Riddell: I agree. The memo to the P[rime] M[inister] should go forward. I attach a letter† from Malania[74] which has come today. I wonder whether it (or a summary) might be included in or annexed to the memo. Please return to me. H. W[RONG]

[74]L. Malania, adjoint spécial, ministère des Affaires extérieures, était à Londres pour les réunions de la Commission préparatoire de l'Assemblée générale des Nations Unies.

L. Malania, Special Assistant, Department of External Affairs, was in London for the meetings of the Preparatory Commission of the United Nations General Assembly.

PARTIE 6/PART 6
RÉFUGIÉS
REFUGEES

SECTION A
ADMISSION DES RÉFUGIÉS
ADMISSION OF REFUGEES

992. DEA/4300-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 18 London, January 3, 1944

Your telegram No. 1820 October 5th, 1942,† Jewish refugee children.

The Inter-Governmental Committee for Refugees state that in view of the very great danger of deportation of the refugee children still in France the Committee had decided to make a further attempt to save them. Its success will, of course, depend on the Vichy and German authorities granting the necessary exit permits, but before an approach can be made to them, probably through the Swiss Government, the Inter-Governmental Committee wish to confirm that the various offers by Governments to take groups of these children still holds good.

2. The Committee stated that there are two possible plans, one that the children should be got into Portugal and thence to countries of asylum, and the other that they should be sent to Switzerland in the first place.

3. The Inter-Governmental Committee have asked me to obtain information from you on the following points:

(A) Does the original offer of the Canadian Government to take 500 refugee Jewish children,[75] under conditions laid down in your telegram under reference, still hold good. If so, they would be grateful if you would confirm the exact terms of the offer and how many children it covers.

(B) Would the offer cover children from the whole of France and not only from former Vichy France?

(C) On the assumption that it might be possible to get some of the children to Switzerland as a temporary measure, would the Canadian Government agree to the offer covering these also, if during the war it was possible and necessary to get them out of Switzerland and the children to be removed were still under eighteen years of age.

[75]Voir le volume 9, document 496.
See Volume 9, Document 496.

4. Inter-Governmental Committee would much appreciate an early reply on these points, as they regard the matter as very urgent.

MASSEY

993. DEA/4300-40

Le directeur par intérim, le bureau de l'immigration, le ministère des Mines et des Ressources, au sous-secrétaire d'État aux Affaires extérieures

Acting Director, Immigration Branch, Department of Mines and Resources, to Under-Secretary of State for External Affairs

Ottawa, January 21, 1944

ATTENTION - MR. WRONG

I have your letter of the 20th instant† with copy of teletype WA-365 of January 19th from the Canadian Embassy in Washington, concerning Jewish refugee children from France.

The alternative proposal to first send the children to Switzerland, contained in paragraph two of the Canadian High Commissioner's telegram No. 18 of January 3rd, would create some awkward problems. No doubt the Swiss Authorities would require our guarantee of admission to Canada before accepting them in Switzerland. After some residence in the latter country a number of the children might be found to be inadmissible to Canada on medical grounds. It would not be advisable to guarantee the acceptance of children from Switzerland on the basis of medical examination which would be made in France a considerable time before the children would move from Switzerland to Canada. There has already been expressed in this country some uneasiness as to the condition of refugees coming to Canada, to which I shall refer later in this letter. I think it would be preferable if the routing via Switzerland could be eliminated and the children be brought to Canada via Portugal.

No doubt the children could be medically examined under the direction of the Red Cross Authorities in France, and I agree that there should not be a too severe insistence on high physical standards. It should, however, be made clear that we cannot accept children coming within the prohibited classes as defined in paragraphs (a) and (b) of Section 3 of the Immigration Act, that is to say, mental defectives and those suffering from tuberculosis or other contagious or infectious diseases.

We recently had some correspondence with the Canadian Tuberculosis Association respecting the medical examination of refugees, they expressing the opinion that there should be a chest X-ray examination before embarkation or on arrival in Canada. The dangers of tuberculosis through its spread, were strongly stressed. We pointed out that immigrants coming to Canada receive clinical examination by a qualified medical practitioner, but X-ray examinations were not required unless the original examination indicated tubercular trouble. The Association subsequently asked that the Provincial Health

Authorities be informed of the destination of refugees so that they may, if so desired, arrange for X-ray examinations.

Thus there is some concern as to the danger to the public health of refugees coming to Canada, and it is our view that we should see that reasonable precautions are taken by not lowering the standard of health requirements to a point where children suffering from diseases of the class mentioned might enter Canada.

A. L. JOLLIFFE

994. DEA/4300-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 156 Ottawa, January 24, 1944

My telegram No. 20 of January 5th.† Jewish refugee children. You may inform the inter-governmental Committee as follows in reply to their enquiries given in your telegram No. 18 of January 3rd.

A. The original offer of the Canadian Government to accept Jewish refugee children from France, who are orphans or whose parents' whereabouts are unknown, still holds good. This applies to an initial movement of 500 children which might be increased by an additional 500 when it is known that arrangements for placement can be made. The children would be admitted as non-immigrants for the duration of the war without any obligation later to admit surviving parents or relatives. Satisfactory guarantees by Canadian Jewish agencies for reception, placement, costs, etc., have been offered. They are to be under 18 years and physically and mentally fit.

B. In present circumstances we are prepared to include children from anywhere in France.

C. It is not possible to give an absolute guarantee that children admitted now to Switzerland (or Portugal) for temporary domicile would later be admitted to Canada if transportation became possible. We would be prepared, however, to receive them provided they were medically fit. We should prefer their routing to Canada via Portugal with as little delay as possible on the way. We could not, for example, undertake at some later date to admit a child who while in Switzerland was found to have tuberculosis.

The question of medical examination presents considerable difficulties about which we have been in touch with the Department of State. They have informed us that their offer to receive at least 5000 children[76] still obtains

[76]Voir le volume 9, document 494. La proposition des États-Unis avait passé de 1,000 à 5,000 enfants peu après la proposition initialle.
See Volume 9, Document 494. The United States offer was raised from 1,000 to 5,000 children after the initial offer.

during the lifetime of the present administration and provided that changes in the immigration laws are not made which would prevent its execution. They also cannot guarantee definitely that children sent to Switzerland would be admitted at some indefinite later date. They may ask the Red Cross authorities, if the movement is arranged, to undertake medical inspection and they do not intend to impose severe standards in view of the prevailing malnutrition in France.

We are ready to follow a similar practice but you should make it clear that we could not accept children who are mental defectives or who have tuberculosis or other contagious or infectious diseases.

995. DEA/5127-40

L'ambassadeur des États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador of United States to Secretary of State for External Affairs

No. 96 Ottawa, February 11, 1944

Sir,

Upon instructions from my Government, I have the honor to inform you that the President of the United States has instructed the Secretaries of State, Treasury and War to take action for the immediate rescue and relief of the Jews in Europe and other victims of enemy persecution.

In an Executive Order issued January 22, 1944, the President declared:

"It is the policy of this Government to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war."

The Order establishes special governmental machinery for executing this policy. It creates a War Refugee Board consisting of the Secretaries of State, Treasury and War, charged with direct responsibility to the President in seeing that the announced policy is carried out. The President indicated that while he would look directly to the Board for the execution of this policy, the Board will cooperate with the Intergovernmental Committee, United Nations Relief and Rehabilitation Administration, and other interested international organizations. The President stated that he expected the cooperation of all members of the United Nations and other governments in carrying out this difficult but important task. He stated that the existing facilities of the State, Treasury and War Departments would be employed to furnish aid to Axis victims to the fullest extent possible, and he stressed that it was urgent that action be taken to forestall the plot of the Nazis to exterminate the Jews and other persecuted minorities in Europe.

My Government is hopeful that it may be informed of the attitude of the Canadian Government in the matter.

Accept etc.

RAY ATHERTON

996. DEA/5127-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur des États-Unis

Secretary of State for External Affairs to Ambassador of United States

No. 28 Ottawa, March 11, 1944

Sir,

I have the honour to refer to your Note No. 96 of February 11th, in which you informed me of the measures taken by the President of the United States for the assistance of refugees in Europe through the establishment of the War Refugee Board. It is noted that the Board will cooperate with the Intergovernmental Committee and with UNRRA in measures to be taken for refugee assistance.

In reply to your final paragraph concerning the attitude of the Canadian Government, may I refer you to the statement made by the Prime Minister in the House of Commons on July 9th of last year? In that statement the Prime Minister outlined the measures which were being taken by the Canadian Government to help relieve refugees from Nazi aggression. During the last ten years a good many refugees from political, religious and racial persecution have found asylum in Canada. Our records, like those of the United States, do not identify "refugees" as a separate class of entrant. Many of those admitted for permanent settlement during this period could probably be regarded as refugees, and this is probably true of a much higher proportion of persons granted "temporary admission" during the war years. In the statement already cited, the Prime Minister said that, while it was obviously impossible for the Government to give a general undertaking that all persons who had been granted temporary admission would be enabled to stay in Canada after the war, nevertheless individual applications for permission to remain would be given sympathetic consideration. A further measure intended to assist in meeting the refugee problem was taken in October of last year when the Canadian Government reopened its Immigration Office in Lisbon in order to facilitate the issuance of visas to refugee families in Spain and Portugal who might wish to proceed to this country.

In addition to facilitating the admission to Canada of refugee families who are able to leave Europe, the Canadian Government has recently renewed its offer to accept up to 1,000 Jewish refugee children from France if they can be got out. The circumstances of our offer were essentially the same as those underlying a similar offer made by your Government to receive up to 5,000 children, with the exception of the fact that we have authorized their

acceptance up to the age of eighteen, while for admission to the United States they must not be over sixteen.

A third group of refugees in which this country has been interested is made up of persons who were interned in the United Kingdom in the summer of 1940 at the time when the imminent danger of German invasion compelled the United Kingdom Government to intern all male enemy aliens, within certain age groups, who happened to be residing in certain prescribed areas in the United Kingdom. Over 4,000 of these were brought to Canada under a special arrangement with the United Kingdom Government. The records and credentials of all were examined with great care and the majority have long since been released. Of those released, some have returned to the United Kingdom and some have gone elsewhere, but over 900 remain in Canada. Since December 10th, 1943, these 900 have been at complete liberty in this country and are under no restrictions arising out of the fact that they are refugees or were at one time, as a purely precautionary measure, interned. They are, of course, subject to the general regulations which apply to all enemy aliens in this country. In the majority of cases the good faith and sympathies of the refugees are beyond any doubt and in these instances they are absolved even of the requirement of reporting to the Royal Canadian Mounted Police, except at very rare intervals. As your Government is aware, from previous correspondence, a number of the refugees in this group have relatives or close friends in the United States and are anxious to proceed there. Now that their release in Canada has been made completely unconditional, it is hoped that your Government can see its way clear to contribute to their further assistance by allowing those who are otherwise eligible for entry into the United States to do so.

I shall be glad to hear from you of the progress of the War Refugee Board in dealing with the refugee problem.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

997. DEA/5127-40

L'ambassadeur des États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador of United States to Secretary of State for External Affairs

No. 134 Ottawa, April 17, 1944

Sir,

I have the honor to refer to your Note No. 28 dated March 11, 1944, relative to the rescue and relief of European refugees.

I have now been advised by the Department of State that it has authorized American Consuls in Switzerland to issue up to 4,000 quota immigration visas to refugee children under 16, irrespective of nationality, religion, or citizenship status, and regardless of means of transportation to the United States. The purpose of this authorization is to assist in the escape of orphaned or abandoned children from enemy-occupied or controlled areas, and to assure the Swiss Government that the children will not remain in that country after the war. The authorization contains provisions for the renewal of visas until the children have been enabled to travel to the United States. To assure that the children will not become public charges, private sources in the United States have posted bond with the Attorney General.

I have been instructed to suggest a similar course of action in respect of the offer of the Canadian Government to take 1,000 children. Accordingly, I should be glad to be informed of the attitude of the Canadian Government in the premises.

Accept etc.

RAY ATHERTON

998. DEA/5127-40

Le directeur, le bureau de l'immigration, le ministère des Mines et des Ressources, au sous-secrétaire d'État aux Affaires extérieures

Director, Immigration Branch, Department of Mines and Resources, to Under-Secretary of State for External Affairs

Ottawa, April 27, 1944

I am in receipt of your letter of the 20th instant† relating to refugee children from France to be given shelter in Switzerland.

While as you indicate the wording of Note #134 from the United States Ambassador does not clearly set out the conditions under which the United States Government will accept the 4000 children under 16 years of age, I think the intention is to admit these children to the United States as immigrants for permanent residence; you will observe it is stated that quota immigration visas will be issued. Further, it is unlikely that medical inspection would be waived for quota immigrants. It is probably the intention to grant visas to children already in Switzerland as you mention, such action being expected to encourage the Swiss to admit an equivalent number of other refugees.

Canada's offer is to admit up to 1000 children under non-immigrant status for the duration of the war subject to their passing medical inspection, and I think we should adhere to these conditions. To agree to admission as immigrants, i.e., for permanent residence, would raise a number of difficult questions, such as the matter of adoption and in many instances, the admission at a later date of one or both parents and other members of the family. The question of medical examination is important for the reasons set out in the third and fourth paragraphs of my letter of January 21st last.

If arrangements could not be made with the United States authorities for the medical examination by their officers in Switzerland, the same could be performed by doctors selected by the British Embassy; the expense to be borne by the JDC[77] under an arrangement similar to that presently operating in Lisbon. I think it should be understood, however, that we cannot accept children unable to pass medical inspection, irrespective of the length of time they may remain in Switzerland.

With regard to the cost of maintenance in Switzerland, it is my opinion that Canada should accept no direct responsibility in this connection. Our undertaking to date is to accept a certain number of children, they to be received and placed under the guarantee of the United Jewish Refugee and War Relief Agencies. If the question of maintenance in Switzerland becomes an issue, should this not be dealt with by the Intergovernmental Committee.

I agree with the last paragraph of your letter that some additional information should be obtained from the United States Government in order to clear up the obscure points in Note ol 34; the following points occur to me,

(a) Does the authorization given United States Consuls in Switzerland deal with children before they reach that country and, if so, what machinery will be used for their selection.

(b) Will the children be admitted to the United States for permanent residence.

(c) Will medical examination be waived—if not, what will be the standards required.

(d) If medical examination is necessary before visa is issued, will a further medical examination be demanded before expired visas are renewed.

It would be well to obtain information on these various points before replying to the United States Ambassador's inquiry.

A. L. JOLLIFFE

999. DEA/5127-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur des États-Unis

Acting Secretary of State for External Affairs to Ambassador of United States

No. 43 Ottawa, May 4, 1944

Sir,

I have the honour to refer to your note No. 134 of April 17th, stating that authorization has been given to United States Consuls in Switzerland to issue up to 4,000 quota immigration visas to refugee children under sixteen, and

[77] Joint Distribution Committee, un organisme philanthropique des États-Unis.
Joint Distribution Committee, a philanthropic agency in the United States.

suggesting that a similar course of action might be adopted in respect of the offer of the Canadian Government to accept 1,000 children.

Since receipt of your note, an opportunity has arisen of discussing the general situation respecting refugees and the Canadian and United States offers to receive refugee children with Sir Herbert Emerson, the Executive Director of the Inter-Governmental Committee on Refugees, who recently visited Ottawa. The Canadian authorities were gratified to learn from him that the offers made by the Governments of the United States and Canada to receive refugee children from France have been useful in encouraging the Swiss authorities to grant temporary admission to additional children from France, since the existence of these offers has assured the Swiss authorities that they will not have permanently to retain in Switzerland all the children for whom they have generously granted asylum.

In connection with the authorization granted to United States Consuls in Switzerland to issue visas forthwith to refugee children, it is assumed that the principal purpose of this action is further to reassure the Swiss Government that a permanent destination can be found in the United States for the children receiving visas when their exit from Switzerland becomes possible? The offer made by the Canadian Government was for the reception of refugee children in Canada for the duration of the war, and before the suggestion made in your note can be further considered, I should be glad to receive additional information on the action taken by the Government of the United States.

Information in particular would be welcomed on the following points. Is the assumption correct that United States visas will be issued only to children already in Switzerland? Will the children for whom visas are issued be admissible to the United States for permanent residence when their movement becomes possible? Is a medical examination required before a visa is issued, and, if so, will a further medical examination be required if a considerable period of time elapses before the visa can be employed?

On receipt of information on these particular points, further consideration can be given to your suggestion for action on the part of the Canadian Government.[78]

Accept etc.

H. H. WRONG
for the Acting Secretary of State
for External Affairs

[78] Aucune réponse ne fut trouvée.
No reply was located.

1000. DEA/583-37

Le président, l'Organisme juive pour la Palestine et l'Organisation sioniste mondiale au haut commissaire en Grande-Bretagne

President, the Jewish Agency for Palestine and the World Zionist Organization to High Commissioner in Great Britain

May 22nd, 1944

Dear Mr. Massey,

I have received from Mr. Freiman[79] of Ottawa a copy of his correspondence with Mr. Mackenzie King of December last,† and also of a Minute of a conversation between Mr. Mackenzie King, Dr. Goldman,[80] and Mr. Freiman of March 27th, 1944.† I was very happy to note that in that interview the Prime Minister showed himself sympathetic to possible new developments in our favour in the Palestinian policy of H.M.G.

May I however draw your attention, and, through you, that of the Prime Minister, to certain points in his letter to Mr. Freiman of December 24th.† He speaks of our pressing "for withdrawal of the White Paper and for promotion of a larger immigration into Palestine than was contemplated in the British undertakings to the Jews as defined in the Churchill White Paper of 1922."[81] But we here have never asked for that. The MacDonald White Paper of 1939[82] does not confirm, but abrogates, the Churchill White Paper. Mr. Churchill himself saw it in that light when, during the Debate on the MacDonald White Paper on May 23rd, 1939, he described its immigration clauses as "a breach and repudiation of the Balfour Declaration,"[83] as "a new and sudden default," and "a one-sided denunciation of an engagement." I can say with authority that Mr. Churchill stands by these views.

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[79]Président, l'organisation sioniste du Canada.
President, Zionist Organization of Canada.

[80]Représentant aux États-Unis de l'Organisme juive pour la Palestine et de l'Organisation sioniste mondiale.
Representative in the United States of the Jewish Agency for Palestine and the World Zionist Organisation.

[81]Voir Grande-Bretagne, *Palestine: Correspondence with the Palestine Arab Delegation and the Zionist Organization.* Cmd. 1700, Londres, H.M. Stationery Office, 1922.
See Great Britain, *Palestine: Correspondence with the Palestine Arab Delegation and the Zionist Organization.* Cmd. 1700. London, H. M. Stationery Office, 1922.

[82]Voir Grande-Bretagne, *Palestine: Statement of Policy.* Cmd. 6019, Londres, H.M. Stationery Office, 1939.
See Great Britain, *Palestine: Statement of Policy.* Cmd. 6019, London, H. M. Stationery Office, 1939.

[83]Déclaration du 2 novembre 1917. See Joel H. Wiener, ed., *Great Britain: Foreign Policy and the Empire, 1689-1971. A Documentary History.* volume IV, New York: Chelsea House, 1972, p. 2924.
Declaration of November 2, 1917. See Joel H. Wiener, ed. *Great Britain: Foreign Policy and the Empire, 1689-1971. A Documentary History.* Volume IV, New York, Chelsea House, 1972, p. 2924.

The White Paper of 1939 was part of the appeasement policy of those years, and the Jews, like other victims, were assured that it was all for their own good. In reality it has prevented the rescue of thousands of Jews who have died in torture under the Nazis, it has embittered British-Jewish relations in Palestine and possibly elsewhere, and has produced very poor results on the Arab side (see the subsequent activities of the Mufti of Jerusalem and of Jemal Husseini, leader of the Arab-Palestine Delegation at the London Conferences of February 1939,[84] the Irak revolt,[85] Egyptian neutrality, etc.)

Millions of Jews have perished under the Nazis, but even so it is estimated that some 2,000,000 are likely to survive on the European Continent, outside Soviet Russia. The vast majority of them will have been completely uprooted, and the anti-Semitism fostered under Hitler will not end with him (see, as a small but instructive illustration what is happening even in the Polish Army in Scotland). It would be idle to expect, and cruel to encourage, re-settlement of these people among the ghosts of their dead, and surrounded by anti-Semitic populations. In these circumstances large-scale emigration will be unavoidable. In the past such emigration went first and foremost to English-speaking countries, which by now have a Jewish population of almost 6,000,000—that is to say, probably more than half of world-Jewry after the war. The natural tendency of people in search of new homes would be to turn to their relatives and friends whose economic basis has not been destroyed in the war. But these countries will be facing great difficulties of their own in the post-war reconstruction period, and are unlikely to welcome Jewish mass-immigration; moreover, from the Jewish point of view it is far more desirable, even from a merely utilitarian angle, to re-settle emigrants on a solid national basis in a Jewish State, rather than to send them where they are bound to create new problems.[86]

The last 50 years have shown what Jews can do in Palestine. We ask that the Balfour Declaration and the Mandate should now receive their logical conclusion: the development of the Jewish National Home into a Jewish State. I should be happy if that State was admitted into the British Commonwealth.

Yours v. sincerely,

C. WEIZMANN

I am looking forward to see you tomorrow morning.

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[84] Conférences distinctes entre des représentants de la Grande-Bretagne et une délégation arabe et une délégation juive, du 7 février au 17 mars 1939.
Separate conferences between representatives of Great Britain and an Arab delegation and a Jewish delegation, February 7 to March 17, 1939.

[85] Révolte iraquienne d'avril et mai 1941.
Irak revolts of April and May 1941.

[86] La note suivante était écrite sur cette copie de la lettre:
The following note was written on this copy of the letter:

Non-Zionist Jews have charged that Zionist leaders approached influential persons in the U.S. and other countries which might have received Jewish refugees to discourage them from doing so, suggesting that the refugees be given no alternative but to go to Palestine, where by this time the Arabs were thoroughly opposed to further mass immigration of Jews.
E. P. M[ACCALLUM]

1001. DEA/583-37

Mémorandum du commis principal[87] au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Principal Clerk[87] to Under-Secretary of State for External Affairs

Ottawa, June 6, 1944

Mr. Weizmann's letter to Mr. Massey raises four points of special interest:

1. He apparently hopes that through the good offices of Mr. Churchill a change may be effected again in United Kingdom policy toward Palestine. If we are to receive frequent representations on this subject it might be an advantage for us to have occasional indications from the Colonial Office as to what is going on. As a rule we are informed only when the subject is being discussed through the Foreign Office with the governments of the United States, Egypt or Iraq. We could be surer of our ground, perhaps, if we had a little more advance information.

2. The assertion that thousands of Jews have perished in Europe because a haven was not assured them in Palestine is not borne out by the testimony of Sir Herbert Emerson, who says that on the contrary the difficulty has been to obtain safe-conducts to get refugees out of Europe to any haven whatsoever.

3. Page 2, second half of paragraph 1: I believe it is true to say that the late Mr. Freiman as President of the Zionist Organization of Canada never made representations of this nature to the Canadian Government. Both as a citizen and as honorary president of the Jewish Immigrant Aid Society of Canada he hoped that this country might take a proportionate share in relieving the distress of European Jews.

Dr. Weizmann recognizes that many Jewish refugees will wish to join their kinsfolk in the western hemisphere, but instead of asking for sympathetic consideration of their pleas he reminds Mr. Massey of the "great difficulties" western countries will face after the war, suggests that the arrival of Jewish immigrants in this country would be "bound to create new problems" and offers Palestine—by implication—as a haven to which they may repair without raising difficult issues. This is Dr. Weizmann's customary approach to western governments.[88] Non-Zionist Jews resent it on the ground that it implies discrimination against Jewish as compared with non-Jewish immigrants and consequently affects the status of established Jewish communities. They see in it a nullification of the guarantee embodied in the Balfour Declaration that the building up of the Jewish National Home was not to prejudice the rights or political status of such communities in any part of the world.

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[87] Elizabeth P. MacCallum.

[88] Note marginale:

Marginal note:

I'm disinclined to get the P[rime] M[inister] into an argument with Mr. Weizmann.

4. To ascribe Polish anti-Semitism to Nazi propaganda is to forget the whole recent history of Polish Jewry. Dr. Weizmann insists on the effectiveness of Nazi propaganda because he wishes to encourage wholesale Jewish emigration to Palestine from Central and Eastern Europe. A different spirit animates non-Zionist Jews, who are preparing with some courage to rebuild for the Jews the position in Europe which is their due. The recent creation of a Committee for the Restoration of Judaism in France is only one evidence of the active effort they are prepared to make on the basis of Allied victory.

1002. PCO

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Comité de guerre du Cabinet

Memorandum from Under-Secretary of State for External Affairs to Cabinet War Committee

TOP SECRET Ottawa, August 23, 1944

ASYLUM FOR JEWS RELEASED FROM HUNGARY

On July 7th, 1943 the War Committee approved a draft statement on admission of refugees to Canada for presentation in the House of Commons by the Secretary of State for External Affairs.[89] The statement referred to the work of the Bermuda Conference[90] and announced the readiness of the Canadian Government to play its full part in carrying out the proposals framed at that conference, entailing the reception in Canada, until peace is restored, of a number of refugees in addition to those already admitted. The statement proceeded to enumerate contributions already made by the Dominion toward alleviating the distress of refugees, renewed Canada's offer of asylum for 1,000 Jewish children from unoccupied France whose parents had been deported to Eastern Europe, and closed with an undertaking that in cooperation with other nations Canada would do its full share to help such additional refugees as might be within reach. Later, on September 6th, 1943,[91] the War Committee agreed in principle to the admission of some 200 families of refugees from the Iberian Peninsula, the means for implementing this decision being referred to the Department of External Affairs and the Immigration Branch, Department of Mines and Resources.

A situation has now arisen which may place within reach of the Allies a substantial number of Jewish refugees in Hungary. Since the *coup d'état* of last March the Hungarian Government is said to have deported trainloads of Jews to unnamed destinations in accordance with customary Nazi policy. It has

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[89] Voir Canada, Chambre des Communes, *Débats*, 1943, volume V, pp. 4688-91.
See Canada, House of Commons, *Debates*, 1943, Volume V, pp. 4558-61.

[90] Conférence de la Grande-Bretagne et des États-Unis sur le problème des réfugiés, du 19 au 29 avril 1943.
Conference of Great Britain and the United States on the Refugee Problem, April 19 to 29, 1943.

[91] Voir le volume 9, document 509.
See Volume 9, Document 509.

recently stopped this practice, however, and has notified the International Red Cross that it is prepared to allow the departure from Hungary of (a) Jewish children under ten years of age who possess visas for foreign countries, and (b) Jewish adults and children eligible for admission to Palestine. The International Red Cross believes that once Jews in these two categories have left, the Hungarian Government will be likely to permit the departure of further categories, provided destinations are found for them in the British Commonwealth or Empire or in the United States of America.

On August 18th a joint declaration of the governments of the United Kingdom and United States[92] was published undertaking (a) to accept the Hungarian offer, (b) to make arrangements for the care of Jews leaving Hungary who reach neutral or United Nations territory, (c) to find temporary havens of refuge where such people may live in safety, and (d) to request neutral countries to permit the entry of Jews from Hungary.

Two specific questions have been put to the Canadian Government in this connection:

1. The United States Government has asked whether we will extend in principle to children from Hungary the arrangements already made for acceptance of children from France. These arrangements were worked out in detail in 1942 in discussions between the Department of External Affairs and the Immigration Branch, Department of Mines and Resources.[93] They were based on the acceptance of a guarantee from Jewish agencies of full responsibility for costs incurred and for the reception, placement and after-care of the refugees, questions of guardianship and control being dealt with in accordance with provincial legislation. United States authorities would cooperate in determining fitness overseas and in making transportation arrangements. Children would be admitted as non-immigrants for the duration of the war without any obligation for later admission of parents or relatives. They must be under 18 and physically and mentally fit. While the Canadian authorities would cooperate in getting the children to Canada, no responsibility was accepted for getting them out of France. These provisions would be applicable, *mutatis mutandis*, to child refugees from Hungary, except that the International Red Cross rather than American consular agents would presumably make the first examination of children to determine physical and mental fitness. It is recommended that the War Committee should agree to accept Hungarian children in place of French children on the conditions set forth above, subject to securing from the Canadian Jewish agencies the same guarantee that they have already offered in the case of the French children.

2. The United Kingdom Government has stated that it would be grateful if other British Commonwealth Governments would consider whether there are any steps they can take toward furnishing temporary asylum for some of the Hungarian Jews. During the war years the United Kingdom has admitted a

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[92]Voir États-Unis, *Department of State Bulletin*, vol. 11, 20 août 1944, p. 175.
See United States, *Department of State Bulletin*, Vol. 11, August 20, 1944, p. 175.

[93]Voir le volume 9, documents 492 et 494 à 498.
See Volume 9, Documents 492 and 494 to 498.

constant stream of refugees and still continues to do so, so that its own facilities are limited. It has arranged for the reception of many thousand refugees in the Middle East generally, and additional thousands have been pouring into Palestine in the past few months. The Dominions Office points out the acuteness of the problem of finding alternative destinations for any new efflux from Hungary, but adds that the solution must be found without delay, especially in view of the fact that much ill-informed pressure is being encountered arising out of ignorance of the restricted capacity of Palestine.

At this juncture an undertaking to provide temporary refuge in Canada for Jews released from Hungary ought not to involve a long-term obligation. The experience gained recently in connection with the admission of adult refugees from Lisbon and Tangier makes it clear, however, that considerations of security require the adoption of stringent safeguards along lines worked out with the Department of Justice since the arrival of the Lisbon refugees. These safeguards are based on full use of British Security Co-ordination files and the provision of dossiers on each refugee to the R.C.M.P. prior to arrival of refugees at the Canadian border.

The United States Government is apparently preparing to assume a substantial share of responsibility for placing adult refugees from Hungary, but hopes for cooperation from Canada as well as from the Latin American Republics. In the present stage of the war it seems, to say the least, doubtful whether in fact any substantial number of Jewish refugees could find their way out of Hungary.

It is recommended that the Canadian Government should agree in principle to assist in finding temporary asylum for some adult Hungarian Jews, the number and conditions to be subject to later decision when further information is available on the numbers succeeding in getting out of Hungary, the possibilities of transport and the extent of cooperation of other United Nations.

H. H. WRONG
for the Under-Secretary of State
for External Affairs

1003. **PCO**

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, August 31, 1944

...

TEMPORARY ASYLUM FOR HUNGARIAN JEWS

22. THE SECRETARY, referring to the discussion at the meetings of July 7th and September 6th, 1943,[94] submitted a report from the Department of External Affairs, copies of which had been circulated.

In earlier decisions, the government had agreed to offer asylum to 1,000 Jewish children from Unoccupied France, and some 200 families of refugees from the Iberian Peninsula. We had also agreed to share in assistance to refugees within reach.

More recently, the U.K. and U.S. governments had undertaken to provide asylum for Jewish children under ten years of age from Hungary who possessed visas for foreign countries, and Jewish adults and children from Hungary eligible for admission to Palestine. The U.K. and U.S. governments had now asked whether Canada could provide assistance in carrying out this undertaking. It was also hoped to obtain the co-operation of the Latin American Republics.

It had been pointed out that the limited U.K. facilities had already been heavily strained, and that the Canadian undertaking should not involve a long-term obligation, although in the case of adults, considerations of security would require adequate safeguarding measures. It did not appear likely that any substantial number of Jewish refugees would be able to leave Hungary.

Accordingly, it was recommended:

(a) that Hungarian children be accepted in Canada in place of French children on terms similar to those established for the admission of French children, involving guarantees from Canadian Jewish agencies similar to those offered in the case of the French children; and

(b) that the Canadian government agree in principle to assist in providing temporary asylum for adult Hungarian Jews, the number and conditions to be subject to later approval when further and more detailed information regarding numbers, transportation and the policy of the other United Nations became available.

(External Affairs memorandum, August 23, 1944—C.W.C. document 845).

23. THE WAR COMMITTEE, after discussion, agreed that no commitments should be made at present in view of the confused political position in Hungary.

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[94] Voir le volume 9, document 509.
See Volume 9, Document 509.

1004. W.L.M.K./Vol. 310

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, February 1, 1945

On Tuesday, January 30th, Mr. Wrong and I received the attached submission† from a delegation representing the Canadian Palestine Committee and the Zionist Organization of Canada. The delegation was composed of Mr. Arthur Roebuck, M.P., Mr. H. A. Mowat, Mr. S. J. Zacks, Mr. Gelber, and Mr. Dowd, who was representing Mr. Pat Conroy of the Canadian Congress of Labour. They were particularly concerned about the possibility of additional Jewish refugees finding asylum in Palestine. There are only 7,500 places left under the 5-year immigration scheme laid down in the British White Paper of 1939. These places are being filled at the rate of 1,500 per month, and when they are exhausted there is no provision under existing policy for any further Jewish immigration into Palestine without Arab approval.

The delegation felt, I think correctly, that the position of the surviving European Jews will be very difficult, even in the liberated countries. Those who have survived proscription and transportation will find their properties and professions gone. Even liberal governments determined to eradicate all trace of Nazi anti-Semitic legislation, cannot be expected to reverse transactions in which properties originally of Jewish ownership, may have changed hands four or five times in the last five years. To attempt to do so for the benefit of dispossessed Jews might itself invite a recurrence of anti-Semitism. In the present situation the case for permitting the largest possible movement of Jewish refugees into Palestine is on compassionate grounds a very strong one.

We told the delegation that the Government have every sympathy with their plea for help for Jewish victims of Nazi oppression. At the same time they themselves knew that the solution they put forward was not a simple one. The Palestine problem was in itself a desperately complicated one, and policies pursued within Palestine would affect the uneasy balance of the Middle Eastern world. The United Kingdom had great and difficult responsibilities in that area towards both the Jews and the Arabs. I did not think that the Canadian Government would wish to press a particular policy for meeting one specific problem upon the United Kingdom Government, which had a broad and direct responsibility for the conduct of affairs in the Middle East. I thought, however, you would be glad to see that a copy of the memorandum was brought to the attention of the United Kingdom Government,[95] which would know that there was a large body of opinion in Canada, as in the United

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[95] Une copie de ce mémorandum fut envoyée au haut commissaire de Grande-Bretagne le 10 février.
A copy of this memorandum was sent to the High Commissioner of Great Britain on February 10.

States, very much concerned in finding a solution in Palestine for the problem of Jewish refugees from liberated Europe.

I am also enclosing copies of supporting letters† which I have since received from Mr. Mowat, the Secretary of the Canadian Palestine Committee, and from Mr. Zacks, the co-Chairman of the Zionist Organization of Canada, together with a letter addressed to you on the same subject from the President and Secretary of the Canadian Congress of Labour.†

N. A. R[OBERTSON]

1005. W.L.M.K./Vol. 310

Le sous-secrétaire d'État associé aux Affaires extérieures au secrétaire d'État par intérim aux Affaires extérieures

Associate Under-Secretary of State for External Affairs to Acting Secretary of State for External Affairs

TOP SECRET Ottawa, October 15, 1945

I am attaching copies of two top secret and personal telegrams addressed to the Prime Minister by the Dominions Office (Circulars D. 1911 and 1912)† and also a copy of a further telegram† emphasizing the top secret and personal character of the messages. These relate to the proposals of the British Government for dealing with the problems of Jewish refugees in Europe and the closely related matter of future policy towards Palestine. The central feature of the British proposals is that a joint Anglo-American Committee of Enquiry should be set up at once to go into all these questions. Telegram D. 1912, which contains the text of a draft communication to the United States Government, includes an interesting and able analysis of the position in Palestine and the problems of its future.

A new Zionist drive is now under way, directed towards the opening of Palestine to Jewish immigration. We are receiving here and in the Prime Minister's Office a good many representations from various parts of Canada, asking for Canadian Government support, and the editor of one of the local papers has told me that his office is flooded with Zionist appeals. It is quite likely that there will be a number of questions raised during this session. Our general line in the past has been as non-committal as could be managed, and I think that we should continue on this course. It would seem that the proposals for a joint Committee of Enquiry will be pressed strongly on the United States Government very soon, unless Lord Halifax sees objections, with a view to an announcement on October 23rd in the British House.

We are not asked to comment on the United Kingdom proposals, and I see no reason why we should volunteer any comments. The telegrams therefore are sent you only for information.

H. H. WRONG

1006. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET Ottawa, October 25, 1945

...

DISPOSITION OF REFUGEES IN CANADA

4. THE MINISTER OF MINES AND RESOURCES, referring to the discussion at the meeting of October 17th, said that approximately 3,500 refugee aliens had been admitted to Canada during the war years under non-immigrant status. At least sixty percent of these had applied for permanent admission, in many cases declarations of intention had been filed as a first step toward naturalization.

The majority of these would be an asset to Canada and it had been suggested that appropriate action be taken to provide for their permanent admission, subject to clearance from the R.C.M. Police.

In this connection, a memorandum containing the Minister's recommendations had been circulated, together with a draft recommendation to Council.

(Minister's memorandum and attached draft submission, Oct.15, 1945—Cabinet Document 93).†

5. THE SECRETARY reported that the special committee of the Cabinet appointed at the previous meeting had received the Minister's memorandum and had agreed to recommend to the Cabinet that authority be given to provide for the permanent admission to Canada of the alien refugees admitted under non-immigrant status during the war.

An explanatory note had been circulated.

(Memorandum, special Cabinet committee, Oct.24, 1945—Cabinet Document 94).†

6. THE CABINET, after discussion, approved the recommendation of the special Cabinet committee and the passing of an Order in Council to give effect thereto.

...

1007. DEA/5127-40

Décret en Conseil

Order in Council

P.C. 6687

AT THE GOVERNMENT HOUSE AT OTTAWA

FRIDAY, THE 26TH DAY OF OCTOBER, 1945

PRESENT:

HIS EXCELLENCY

THE ADMINISTRATOR IN COUNCIL:

WHEREAS the Minister of Mines and Resources reports that during the war several thousand refugees from enemy countries and from enemy occupied territory have been admitted to Canada under non-immigrant status, of whom approximately 3500 are still in this country;

That many of these refugees had become stateless and escaped from the country of their birth and citizenship prior to the outbreak of war, others succeeded in leaving their homes prior to invasion by enemy forces, the majority having been deprived of their property and possessions;

That many have attained prominence in their professions, others being skilled artisans and technicians;

That those qualified to do so have rendered valuable service to Canada in the prosecution of the war; and

That it would be neither practicable nor equitable to compel all such refugees to return to their countries of former residence, nor is it in the best interests of Canada to defer indefinitely the determining of their status under the provisions of the Immigration Act.

THEREFORE, His Excellency the Administrator in Council, on the recommendation of the Minister of Mines and Resources, is pleased to order and it is hereby ordered that, notwithstanding the provisions of Orders-in-Council P.C. 695, dated the 21st day of March, 1931,[†] prohibiting the landing in Canada of immigrants of all classes and occupations with certain exceptions, and P.C. 3016 dated the 29th day of November, 1938,[†] requiring persons seeking to enter or land in Canada to be in possession of an unexpired passport, the Immigration Officer-in-Charge at a port of entry may grant a landing in Canada to any refugee who entered Canada as such under non-immigrant status subsequent to September 1st, 1939, provided the said refugee establishes to the satisfaction of the Immigration Officer-in-Charge that he is of good character and can comply with the provisions of the Immigration Act in all other respects.

A. D. P. HEENEY
Clerk of the Privy Council

1008. DEA/8361-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 1955 Ottawa, November 7, 1945

Sir,

I have the honour to inform you that consideration has recently been given to the status of refugees in Canada and that a decision has now been reached to give permanent residence in this country to some 3,500 persons who have been

admitted since the outbreak of war in 1939. I enclose for your information a copy of an Order-in-Council No. P.C. 6687 of October 26th by which this decision has been put into effect.

As you will see, persons whose status in Canada is altered by this Order-in-Council are refugees who, for one reason or another, have been permitted to enter Canada since the outbreak of the war and who are now seeking permanent admission. Many of these refugees originally fled from the countries of Europe to the United Kingdom. When invasion threatened the British Isles in 1940 they were interned and were subsequently transferred to Canada for safe keeping. The group also includes a number of Poles with engineering training and other technical qualifications who were brought to Canada and employed in war industry. Many of these refugees were highly skilled technicians whose services were of great value during the war. Others have established themselves in occupations such as farming, fishing and ship-building and have become assimilated in a satisfactory manner in the communities where they have settled. Some of the younger men in the group have married Canadian women, and to return these particular refugees to Europe would be to force their Canadian wives into exile.

There has not, however, been any change in the present policy of the Canadian Government in regard to the general question of immigration, and it is not likely that any large scale movement of immigrants to this country will be authorized in the near future. The shortage of trans-Atlantic passenger accommodation, and the fact that members of the Canadian armed forces have not yet been fully re-established in peacetime occupations, make it impractical to consider a renewal of immigration at the present time. A decision on immigration policy is being postponed also because of uncertainty as to the economic situation which will prevail in Canada during the postwar period, particularly in regard to export trade.

I have etc.

H. H. WRONG
for the Acting Secretary of State
for External Affairs

1009. DEA/1313-40

L'ambassadeur aux États-Unis au sous-secrétaire d'État aux Affaires extérieures

Ambassador in United States to Under-Secretary of State for External Affairs

Washington, December 4, 1945

Dear Norman [Robertson],

Last Thursday Mr. Creswell and Mr. Herzer of the Canadian Pacific Railway Public Relations and Colonization Departments called to see me in connection with the Sudeten German settlers in Northern Saskatchewan and British Columbia; a matter concerning which I have been interested ever since

1938 when I assisted at Canada House in getting them out to Canada. E. J. Tarr[96] of Winnipeg had already written, asking me to see the gentlemen in question.

The C.P.R. men emphasized that they were talking to me quite unofficially and informally, but thought I would be interested in their story. That story concerns the desire of some of the Sudeten settlers (who seem now to be doing well in Canada) to get relatives and friends out from Czechoslovakia, where, as you know, they are having a very difficult time, and where so many of them, although strong anti-Nazis for years, are being expelled to Germany.

Both Mr. Creswell and Mr. Herzer appreciated the difficulties in the way, financial and political, but hoped that something might be done before long to bring further Sudetens to Canada. I would not be surprised if they make approaches to the proper quarters in Ottawa. The cause certainly is a good one, assuming, of course, that the Sudetens in question are in the same political categories as those who have already come to Canada. I must say I was cheered by the story I was told of the way the original settlers (after initial difficulties and some misunderstandings) had settled down and become useful citizens. I should think that five or ten thousand more of the same type would be equally useful. The difficulties in the way of their settlement would, of course, be less than in the case of the original settlers, because they would be going to districts where friends and relatives had already built up communities.

As it happened, on the same day that Creswell and Herzer saw me, I received a letter from Miss Margaret Ray of Victoria College dealing with the same subject, a copy of which I am enclosing.†

Yours sincerely,

MIKE [PEARSON]

1010. DEA/1313-40

Le ministre de l'Agriculture au sous-secrétaire d'État aux Affaires extérieures

Minister of Agriculture to Under-Secretary of State for External Affairs

PERSONAL Ottawa, December 12, 1945

Dear Mr. Robertson,

I have yours of December 8th† enclosing a letter received by Honourable L. B. Pearson, from Margaret V. Ray of Toronto, and also copy of a letter from Mr. Pearson to you from Washington D.C.

The proposal is an interesting one, but I imagine that the essential reference is the question as to whether these Sudeten Germans have the same point of view as those who are now in Canada. I think it is a decided mistake to transport to this country controversies of Europe.

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[96] Président honoraire, l'Institut canadien des affaires internationales.
Honorary President, Canadian Institute of International Affairs.

It would appear to be difficult to understand why Sudeten Germans who left Czecho-Slovakia, because of German pressure, could have the same point of view as those who are now being forced out of Czecho-Slovakia because of Czech pressure. I presume, however, that this is a question which will not become a live one for some time, but I would hope that as the discussion goes along, greatest care would be taken before commitments are made.

Yours sincerely,

JAMES G. GARDINER

1011. DEA/8296-40

Le sous-secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Under-Secretary of State for External Affairs to Ambassador in United States

Ottawa, December 24, 1945

Dear Mr. Pearson,

Copies of your letter of December 4th concering the Sudeten German settlers in Canada were sent under cover of a letter to the Minister of Mines and Resources and the Minister of Agriculture.† I am now enclosing a copy of a reply of December 12th from Mr. Gardiner. The guarded response which Mr. Gardiner has made to the suggestion that additional Sudeten German settlers might be admitted to Canada, is in keeping with the present policy of the Government, which has decided to post one for the time being the consideration of immigration policy. You will recall that reference was made to this decision in the third paragraph of the communication enclosed with my despatch No. 1297 of November 8th† and you may also have noticed in Hansard of December 14th a statement by the Minister of Mines and Resources. At that time, Mr. Glen said, "At this moment there can be no policy on immigration because, as has been stated by several honorable members, the first duty we have as a government at the moment is the repatriation of our soldiers and the care of the dependents of our overseas personnel. There is, therefore, no immediate long-range policy with regard to future immigration. The terms will not be known until a policy is evolved."

We are, however, receiving numerous inquiries both from individuals and organizations concerning the possibility of admitting to Canada the relatives and friends of persons who have already settled here. In many cases these representations are made on behalf of individuals or groups of people in Europe who will almost certainly never be able to return to their places of origin. I think, therefore, that we shall have to begin to make some preliminary investigation into the question of post-war immigration, even if it is possible to do so only within the limits of our own Department. As shipping becomes available, the pressure for the admission of refugees will increase, and there might be some advantage now in considering the lines along which policy might eventually be formulated. I shall keep you informed of the results of any

investigation which we might make here. In the meantime, I would be glad to learn whether or not consideration is being given to similar subjects in the United States and I would be grateful for any information which you might make available in this regard.

Yours sincerely,

N. A. ROBERTSON

SECTION B

COMITÉ INTERGOUVERNEMENTAL SUR LES RÉFUGIÉS
INTERGOVERNMENTAL COMMITTEE ON REFUGEES

1012. DEA/5127-40

Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État aux Affaires extérieures

High Commissioner of Great Britain to Under-Secretary of State for External Affairs

1042/1 Ottawa, January 28, 1944

SECRET

My dear Mr. Robertson,

May I refer to the telegram of July 24th, 1943, from the Secretary of State for Dominion Affairs to the Secretary of State for External Affairs (Circular D. 455)† on the subject of refugees, and to a letter of August 10th to the High Commissioner for Canada from the Director of the Executive Committee of the Intergovernmental Committee on Refugees,† of which you will doubtless have had a copy.

The Executive Committee of the Intergovernmental Committee on Refugees was constituted by the Evian Conference in 1938[97] as follows: the United Kingdom, United States, Argentine, Brazil, France and Netherlands. In present circumstances the last two countries cannot make much practical contribution to the work of the Committee, although it is still thought advisable to retain their representation on it. The United Kingdom authorities are thinking therefore that in order to strengthen the Committee and to bring the membership more into accord with existing conditions it should be enlarged from six to nine members. The countries which they have in mind for the three new places would be Canada, U.S.S.R. and Switzerland, all three of them being closely concerned in one way or another with the refugee problem. I may

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[97] Une conférence du Comité intergouvernemental sur les réfugiés politiques, du 6 au 15 juillet 1938. Voir le volume 6, documents 620-37.

A conference of the Intergovernmental Committee on Political Refugees, July 6 to 15, 1938. See Volume 6, Documents 620-37.

say that in this connection the passage in the Prime Minister's speech of July 9th of last year on the subject of refugees[98] and Mr. Crerar's statement of November 2nd[99] have been noted with special interest.

Before putting these ideas to other members of the Executive Committee the United Kingdom authorities feel that it would be well to sound the United States Ambassador privately: but as a first step they would like to have some indication whether, if the other countries concerned agreed, the Canadian Government would find this invitation acceptable. I have therefore been asked to make this enquiry on a purely tentative and informal basis and I shall be very grateful if you could let me have your views. It would be much appreciated if we could know them at your earliest convenience.

I should perhaps add that it is hoped that the foregoing will be regarded as entirely secret as neither the United States, U.S.S.R. or Switzerland have yet been approached in any way in the matter.

Yours sincerely,

MALCOLM MACDONALD

1013. DEA/5127-40

Le sous-secrétaire d'État aux Affaires extérieures au haut commissaire de Grande-Bretagne

Under-Secretary of State for External Affairs to High Commissioner in Great Britain

SECRET Ottawa, March 1,1944

Dear Mr. MacDonald,

I should like to refer to my letter of February 14† and to your previous letter of January 28 concerning the suggestion by the United Kingdom authorities that the Executive Committee of the Intergovernmental Committee on Refugees should be enlarged from six to nine members and that if agreeable to this country Canada should be asked to fill one of the three new places.

As I informed you, this matter was referred for the attention of the Prime Minister and I can now inform you that if the other governments of the Executive Committee approve and if an invitation is forthcoming, the Canadian Government would be glad to accept it.

I have noted your statement that as it stands at present this matter is entirely secret and consequently no information will be given out nor any action taken concerning it until I have received further word from you.

Yours sincerely,

[N. A. ROBERTSON]

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[98] Voir Canada, Chambre des Communes, *Débats*, 1943, volume V, pp. 4688-91.
See Canada, House of Commons, *Debates*, 1943, Volume V, pp. 4558-61.

[99] Dans un communiqué de presse.
In a press release.

1014. DEA/5127-40

Le haut commissaire adjoint de Grande-Bretagne au sous-secrétaire d'État adjoint aux Affaires extérieures

Deputy High Commissioner of Great Britain to Assistant Under-Secretary of State for External Affairs

1042/1 Ottawa, May 1, 1944

SECRET

Dear Mr. Wrong,

Mr. Robertson wrote to me on the 16th March† regarding the suggestion that Canada might be invited to join the Executive Committee of the Intergovernmental Committee on Refugees.† You may remember that, in my letter of the 16th March it had been suggested that the next step would be to make private soundings of the United States Ambassador in London.

In the event the Foreign Office have not taken the matter up with the United States Ambassador. The reason for this is that Switzerland is unwilling to associate itself formally with one set of belligerents. It has therefore become necessary to consider what other Government should be approached in place of Switzerland. No decision has yet been taken and meanwhile a proposal is in the air to hold a meeting of the Plenary Inter-Governmental Committee on Refugees in June. There is therefore some doubt whether the idea of extending the membership of the Executive Committee on the lines proposed in January will be pursued.

The Dominions Office have explained the above position to Canada House.

Yours sincerely,

PATRICK DUFF

1015. DEA/5127-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire en Grande-Bretagne

Acting Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 525 Ottawa, May 3, 1944

SECRET

Sir:

I have the honour to refer to your despatch No. A. 219 of April 26† concerning developments that have taken place affecting the suggestion made some time ago by the United Kingdom authorities that the Executive Committee of the Intergovernmental Committee on Refugees should be enlarged to include among others a representative of Canada. In view of the attitude taken by the Swiss authorities, which I can quite understand, and in

view also of the difficulties that might be involved in connection with the Soviet position at present, I think it is probably best that no further action should be taken on this particular suggestion. If a Plenary Conference of the Intergovernmental Committee is held this summer, as is at present suggested, perhaps some modification will be made in the constitution of the Committee which will achieve the object of enlarging it and at the same time avoid some of the difficulties that have arisen in connection with the United Kingdom suggestion.

The recent visit of Sir Herbert Emerson[100] to Ottawa provided a very good opportunity to discuss with him a number of questions. Sir Herbert was here from April 26 to April 28 and met members of the Department, the Director of Immigration and Senator Wilson, who heads the Canadian National Committee on Refugees. On April 28 Sir Herbert went to Montreal and I believe spoke to a meeting of the Executive of the Canadian National Committee and discussed some matters with Saul Hayes of the United Jewish Refugee and War Relief Agencies.

The information Sir Herbert gave concerning the number of refugees whose rescue is at present possible and concerning the general location of refugees was substantially in agreement with the details you had previously sent and with information we had secured from other sources. I was particularly interested to hear, however, what Sir Herbert had to say about the possibility of sending aid to distressed persons in Europe, who would be under the category of "refugees," if they could be got out, through the various underground agencies. Sir Herbert clearly contemplates that the major work of the Committee in the immediate future will be in transmitting such aid rather than assisting refugees to get out. As he said, it is possible to help one hundred refugees in this way where only one could be helped if he had to be got out.

I gained the impression that before Sir Herbert visited Washington he had some fears as to the degree of cooperation the Committee would receive from the War Refugee Board. However, he seems fairly well satisfied now that the Board and Committee will work together successfully. He seems convinced that the Board will do its utmost to justify its existence by devising plans to assist refugees in any way that is possible.

We had a number of discussions with Sir Herbert concerning the relations of the Committee with UNRRA. As he put it, the UNRRA plans are at present only in a formative state and thus it was difficult in his discussions with them to go into much detail, but general agreement had been reached on a delineation of spheres of activity. The conviction appears to be that the entire question of relief to persons in the liberated countries—even though they may be non-returnable persons of the category of "refugees," should be under the jurisdiction of UNRRA. Moreover Sir Herbert hopes that the maintenance of any camps will also be undertaken by UNRRA. The function of the Committee would be to arrange for the movement of persons who are not returnable to their countries of origin and to endeavour to secure their

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[100]Directeur, le Comité intergouvernemental sur les réfugiés.
Director, Intergovernmental Committee on Refugees.

placement in countries where they might remain. He appears to have no doubt as to the possibility of achieving an efficient and satisfactory relationship.

According to Sir Herbert, the probability is that the Plenary Conference will be held in London probably about July of this year. Likely topics for discussion would be drawing up the constitution of the Committee, the election of a new Executive Committee, the basis of sharing of administrative expenses, contributions to operational expenses, relations with UNRRA, and the extension of assistance through the Committee to refugees in the Orient (i.e. Asiatic refugees from the Far Eastern War), as well as to refugees in Europe.

Sir Herbert stated that one of the things the Committee would most like to receive would be a statement from various governments as to the number of refugees they would be willing to receive after the war. We pointed out to him that this was a matter of policy on which no decision had been taken in Canada and which was clearly related to the general immigration problem which could not be decided on until post-war conditions were more clearly known. I think Sir Herbert fully understands this and does not expect too much from the member governments at present.

I have etc.

H. H. WRONG
for the Acting Secretary of State
for External Affairs

1016. DEA/5127-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, August 9, 1944

A meeting of the Intergovernmental Committee on Refugees will take place in London on the fifteenth of this month. We are asked to be represented at it.[101]

The work of the Committee has been restricted in the war years by the fact that it was almost impossible to help refugees in enemy and enemy occupied countries, since the Axis and satellite countries refused to let them go. However, from now on the work will probably increase, and it will have to be shared by UNRRA (responsible for "displaced persons" who want to return to their homes) and the Committee (responsible for refugees seeking homes in a new country).

The principal matters for consideration at the London meeting will be:

[101] Note marginale:
Marginal note:
Approved by P[rime] M[inister]. 14-8-44

(a) Adoption of a constitution and rules of procedure. There has been no formal constitution hitherto.

(b) Adoption of financial regulations. At present administrative expenses are shared on a basis similar to those of the League, while operational expenses depend on voluntary contributions and are underwritten by the United Kingdom and the United States.

(c) Liaison and cooperation with UNRRA, I.L.O., League High Commissioner for Refugees, and the War Refugee Board (U.S.A.), and with non-governmental organizations.

An enlarged executive committee will also be elected. Points which require immediate consideration are the following:

(a) *Our representation on the Committee*

I think that Mr. Massey should act as our delegate. It would, I think, be desirable to have Mr. Gordon Robertson, who has been handling refugee matters in the Department, go over to London to assist Mr. Massey.

(b) *Whether we would be willing to serve on the Executive Committee*

It is very probable that we will be asked to do so. Last February you approved a preliminary proposal that we should join the Executive, and I think we should do so if again asked. Mr. Massey could be our representative.

(c) *Whether our representative should be authorized to agree, on behalf of Canada, to financial regulations if it is proposed to put the operational expenses on a sharing basis*

At present we pay 5 percent of the administrative expenses—last year coming to £1,295. If the operational expenses were put on the same bases, our estimated share next year would be about £50,000. I think the present voluntary basis is inadequate. The work of the Committee is going to be necessary, and I think we must be prepared to meet a fair share of the costs which, in any case, will be largely in sterling. In view of this I think we should be prepared to agree to an equitable basis of sharing. Later the work of the Committee should be placed under the general direction of the new World Organization, and its activities might be reviewed each year by the new Assembly.

(d) *Whether our representative should be authorized to agree, on behalf of Canada, to the constitution, as it may be amended in the Committee*

All countries are being asked so to empower their delegates in order that the constitution can go into effect at once. The draft constitution is not perfect, but it is satisfactory on the whole. I think authority of this type could safely be given.

Since the meeting begins on August 15th, we should issue instructions to Mr. Massey at once.

N. A. R[OBERTSON]

1017. DEA/5127-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1651 Ottawa, August 14, 1944

IMMEDIATE. Your No. 2056 of August 14th.† Meeting of the Intergovernmental Committee on Refugees.

Following for Massey from Robertson, Begins:

1. You are authorized to act as Canadian delegate and to name Robertson[102] as alternative delegate in your absence.

2. We should agree to participate on the Executive Committee if nominated.

3. We will accept a fair share of the costs.

4. We approve of the proposed constitution.

5. The memorandum[103] mentioned in paragraph 2 of your telegram has been approved. Robertson is familiar with its details. End.

1018. DEA/5127-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2103 London, August 17, 1944

Reference your telegram, No. 1651, August 14th, Intergovernmental Committee on Refugees.

2. Meetings of the Committee have gone smoothly and more quickly than anticipated. No difficulties were encountered and the session has now concluded.

3. Canada was elected to the Executive Committee along with the United Kingdom, USSR, United States, Brazil, Czecho-Slovakia, France, Mexico and The Netherlands.

4. The Constitution and financial regulations have been adopted substantially as drafted. The Soviet gave notice of reservation with regard to Article II of the Constitution concerning co-operation with the League. Operational expenses remain on present basis.

5. The Conference resolved in favour of an Expert Committee to report on the adoption of travel documents for stateless refugees. Suggestion by India

[102] R. G. Robertson.

[103] Voir le document précédent.
See preceding document.

that the scope of the Committee should be extended to include refugees from the Far Eastern countries was deferred. Poland sought extension of further aid through underground to people in occupied territories. Egypt advised further concentration on efforts to return refugees to their countries of origin after the war.

6. Emerson was re-appointed Director.

MASSEY

1019. DEA/5127-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3065 London, October 22, 1945

Intergovernmental Committee on Refugees.

1. I believe, for following reasons, we should now determine our delegation for Plenary Session in Paris, November 20th.

(a) Our Embassy in Paris recommends us to accept Director's offer to secure accommodation and Director will need to know number of delegates not usually resident in Paris.

(b) Morley Scott may not be available as recommended in your telegram No. 2241, 27th September.[†]

(c) United Kingdom Government believe that Committee should vanish or be submerged in United Nations Organization which should take overall responsibility. They feel present organization problems outlined in my despatch A. 126, 14th April,[†] could best be handled within the U.N.O.; that the present unsatisfactory financial situation would be difficult to correct within the present framework of the Intergovernmental Committee. While their proposals will necessarily be taken up for action with the bodies now discussing U.N.O., they will probably inform the Plenary Session of their intentions and discussions may ensue there. This suggests selection of delegate or substitute delegate, bilingual and acquainted with U.N.O. activities.

2. In hope of favourable reception of proposal in U.N.O. circles will not propose any changes in present structure of Intergovernmental Committee which it considers in its present form moribund.

1020. DEA/5127-40

Le secrétaire d'État par intérim aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Acting Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 2500 Ottawa, October 24, 1945

Your telegram No. 3065 of October 22nd, Intergovernmental Committee on Refugees. Please discuss with Mr. Robertson[104] the question of our delegation at the Paris meeting. I think that we cannot send anyone from here. We expect to be represented at five different international meetings during mid-November and this particular one will probably be unimportant. I should hope that Scott would still be available and the delegation might perhaps be composed of the Ambassador or Counsellor in Paris and him.

2. We are favourably impressed by the proposals of the United Kingdom Government for merging the Committee with the United Nations Organization. Would you discuss with our representatives on the Executive Committee the instructions which might be given to our representatives at the Paris meeting and submit suggestions for our consideration?

1021. DEA/5127-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État par intérim aux Affaires extérieures

Acting High Commissioner in Great Britain to Acting Secretary of State for External Affairs

TELEGRAM 3109 London, October 25, 1945

Your telegram No. 2500, Intergovernmental Committee on Refugees.

After discussion with Mr. Robertson,[105] following telegram has been sent to Paris, No. 236, Begins: Following from Robertson, repeated to External No. 3109, Begins: It would be appreciated if you would agree to represent Canada at Plenary Session of Intergovernmental Committee on Refugees opening in Paris on November 20th, sitting probably from two to four days. If this is impossible could Magann[106] act as the Canadian representative. Canada House would furnish an assistant delegate, probably either Morley Scott, the Canadian sub-delegate to the Executive Committee of Intergovernmental Committee, or Le Pan, who has knowledge of the workings of the United

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[104] N. A. Robertson était alors à Londres
N. A. Robertson was then in London

[105] N. A. Robertson
N. A. Robertson

[106] Conseiller, ambassade en France.
Counsellor, Embassy in France.

Nations Organization into which the Intergovernmental Committee may perhaps be merged. Will you please let me know. Ends.

1022. DEA/5127-40

L'ambassadeur en France au secrétaire d'État par intérim aux Affaires extérieures

Ambassador in France to Acting Secretary of State for External Affairs

TELEGRAM 589 Paris, November 3, 1945

Following for Robertson repeated to Dominion, London, No. 256, Begins: Your telegram No. 236,[107] Intergovernmental Committee on Refugees.

Regret I will be unable to act as representative. I have arranged for Magann to attend meeting. Ends.

1023. DEA/5127-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur en France

Acting Secretary of State for External Affairs to Ambassador in France

TELEGRAM 562 Ottawa, November 19, 1945

SECRET. Address Paris No. 562. Repeated London No. 2736.

Your telegram No. 589 of November 3rd. Intergovernmental Committee on Refugees.

Instructions for Magann for use at Plenary Session of Intergovernmental Committee on Refugees are as follows, Begins: In general the Canadian Government approves proposals which have been made for the integration by some means of the Intergovernmental Committee on Refugees within the framework of the United Nations Organization. As between absorption of Intergovernmental Committee by the United Nations Organization, as defined in paragraph 1a of Memorandum of October 26th by Director of Committee, paper IC/EX/64,† or affiliation as a specialized agency as defined in paragraph 2b of same Memorandum, we have no preference. You may, therefore, support any reasonable proposal for absorption or affiliation which is placed before the meeting, especially if such proposal has the support of both the United Kingdom and United States governments. If it is possible for you to do so before vote is taken, you should refer specific proposal to us for advice, giving brief indication as to the nature of the discussion which has taken place. If either the proposal for absorption in the United Nations Organization or for [*sic*] the proposal for affiliation as a specialized agency is adopted by the

[107]Voir le document précédent.
See preceding document.

Plenary Session, you may then support any reasonable proposal as to procedure for approaching the United Nations Organization for the purpose of effecting the change.

In regard to questions concerning financial contributions to the Intergovernmental Committee you should accept no commitments for the Canadian Government other than those already made for administrative expenses during 1945.[108] You may, however, agree to submit any reasonable suggestion to your government, at the same time indicating our willingness to bear our fair share of both administrative and operational expenses. You should, at the same time, indicate that we regard the voluntary basis of financing operational expenditure as unsatisfactory and press for the adoption of a suitable method of allocating contributions to these expenses. There would be objections, however, to applying the scale used for administrative expenses. This is based on the League of Nations scale which undercharges the United States and possibly some other Great Powers. If a satisfactory allocation is worked out by the United Nations Organization, it might be applied by the Intergovernmental Committee. It is understood that a decision to absorb the Intergovernmental Committee in the United Nations Organization will probably result in postponement of consideration of future financial policy. These instructions, however, should be followed in discussions concerning operational expenses which have been incurred to date and towards which no Canadian contribution has been made.

You should ask for further instructions before accepting commitments on any proposals concerning questions raised at the meetings which have not been included in the Agenda. For example, no commitment should be made in regard to proposed travel document. Ends.

1024. DEA/5127-40

Le représentant, la cinquième session plénière, le Comité intergouvernemental sur les réfugiés, au secrétaire d'État aux Affaires extérieures

Representative, Fifth Plenary Session, Intergovernmental Committee on Refugees, to Secretary of State for External Affairs

DESPATCH 1841 Paris, December 21, 1945

Sir,

With reference to your telegram No. 562 of November 19th, concerning the Intergovernmental Committee on Refugees, I have the honour to enclose herewith two copies of a memorandum by Mr. Scott regarding the Fifth Plenary Session of the I.G.C.; two copies of the resolution adopted by the Plenary Session regarding the United Kingdom's proposal for the absorption of the I.G.C. by the United Nations Organization are attached to the enclosed

[108] £630.

memorandum. Also enclosed for your convenience there are copies of I.G.C. Fifth Plenary Session, Item 5, Consideration of the Budget for 1946,† and the Report of the Director.†

2. In the absence of Minutes which I have not yet received I have forwarded Mr. Scott's memorandum covering the proceedings of the Plenary Session. The Minutes† will be sent to you as soon as these are received.

3. Owing to the large number of messages being handled by our Cypher Clerks and to the failure of the French transmitting agencies to deliver your message promptly, I regret that your telegram No. 562 which is under reference and subsequent messages† containing instructions were not received until too late for action in the Session.

4. I agree with the observations which Mr. Scott has made in his memorandum. I should like, however, to add that during the discussion of the administrative and operating budgets the United States representative and, to a lesser degree, the United Kingdom's representative displayed a marked interest in the possibility of their countries being relieved of their financial responsibility as joint underwriters of the operational expenditures.

5. In this connection, it is worthy of note that the Director of the I.G.C. emphasized very strongly the need for continued financial contributions from the Member Governments. It is unlikely that the active work of the social and economic council of U.N.O. could start before the middle of the year 1946 at the earliest. The projects already underway for 1945 and those approved, or still to be approved, for 1946 must have adequate financial support. This statement was strongly supported by the United Kingdom and the French delegates, each of whom gave an assurance that their Governments intended to continue their support. The United States delegate especially stressed this point, mentioning that the United States Congress would certainly notice what contributions from other Governments had been made when the estimates came before Congress.

6. From the files which I have read, it would seem to be clearly the intention of the Canadian Government to make a fair contribution to the operational expenses. It is understood, however, that no contribution for 1944 is now desired as the actual expenses for that year were almost negligible. I feel that the 1945 contribution should be made as soon as possible and since it must receive Parliamentary approval, I would recommend that the amount when determined by the appropriate Government Departments should be communicated informally to the Director with the intimation that subject to Parliamentary approval this is the intended contribution for 1945. I would also like to suggest that the same information might be given to the Canadian Embassy in Washington for informal transmission to the State Department whose representative at the Plenary Session showed a very keen interest in the contributions of the other member nations. To delay any intimation of the Canadian contribution until it had actually been approved by Parliament might result in the loss of nearly all of its psychological effect. I may say that several States at the Plenary Session accepted contributions which appeared not yet to have been actually approved and I have no doubt that the Canadian delegate to

the Executive Committee could be trusted to handle this communication without positively committing the Canadian Government.

7. For reasons already stated, the attitude of the Canadian Government towards the basis of operational contribution, was not put before the Plenary Session. I did not myself believe it practicable to propose to the Executive Committee, at this state in history of the I.G.C., that the financial structure of the Committee be changed in respect to contributions for 1945 and 1946. There would, I think, be almost unanimous opinion that it was not worth while at this time to enter into such a difficult and probably controversial discussion, even though the present basis may not be satisfactory and the voluntary principle may have strong disadvantages in the present Session, for example, Poland asked to be excused even from their contribution for administrative expenses which is less than £2,000. It would not be satisfactory, I think, to use either the League of Nations scale or the proposed scale for U.N.O. I assume that the greater part of expenses of those organizations is for administration and the principal scale based on population and national income is suitable, but when the bulk of the contribution is for relief and the payments are to be for the benefit of various national and racial groups, some residents in their mother countries, and some others not so resident, the policy suggested in your telegram might be very difficult to apply.

8. In the proposed, but now abandoned contribution for 1944, Canada followed the quota laid down for administrative expenses. This policy, if followed by all the States which are capable of contributing, would not meet all the operational expenses since there must be some States, such as Poland, which will not contribute at all, and which will not contribute to that extent.

9. My suggestion then is that the Canadian contribution for 1945 be based upon the estimated expenditure of £1,100,000; this is half way between the lower figure given by the Director at the Plenary Session and the figure given in his letter to Mr. Morley Scott of October 30th, which was sent to you in Canada House Despatch No. A-528 of that date.† The amount which is proposed to Parliament might be communicated informally to the Directorate with the necessary safeguards. Canada House might also be instructed to ask the Director upon what figure the contribution for 1946 should be based. In my opinion, the Canadian contribution should not be less than that which would be given were the quota for administrative expenses followed, and favourable consideration could perhaps be given to the recommending of a larger amount than that, in order to balance the inability or unwillingness of some other States to contribute.

I have etc.

G. L. MAGANN

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de l'attaché, le haut commissariat en Grande-Bretagne[109]

Memorandum by Attaché, High Commission in Great Britain[109]

MEMORANDUM ON THE FIFTH PLENARY SESSION OF THE INTERGOVERNMENTAL COMMITTEE ON REFUGEES

1. The Chairman of the Executive Committee not being present, the Brazilian Ambassador opened the Session. The French delegate was elected Chairman, the Swiss delegate Vice-Chairman and the Canadian delegate Deputy Vice-Chairman. It fell to the Canadian delegate to preside at the morning meeting on the second day when the Chairman and Vice-Chairman were absent. Most member governments were represented, although the South African delegates were prevented by fog from reaching Paris and the United Kingdom's delegation was delayed until the second day.

2. The United States was represented by Mr. George Warren of the State Department, assisted by Mr. Richard Johnston, who has been their working delegate on the Executive Committee. The United Kingdom representative was Sir George Rendel of the Foreign Office, who has been active in matters connected with refugees and displaced persons for some time. The Russian delegate was Mr. Constantine Koukin, who has been the delegate to the Executive Committee. The French substitute delegate (the French delegate being Chairman when present) was M. Raymond Bousquet, Directeur des Conventions Administratives, Quai d'Orsay. The Polish delegate was fairly vocal, obviously speaking upon instructions. Few other delegates spoke except purely formally or very briefly.

3. There was little or no bickering during the Session—indeed—there were few marked differences of opinion. The impression gathered was that the United States and the United Kingdom delegates had come with their minds well made up and the Russian delegate had been given certain general instructions which he was content to follow literally. He proved not to be obstructive in important matters, and indeed to be insistent only in regard to one. There was some reason to believe that the decisive resolution regarding the future of the Committee may have been arranged jointly by the Russian and the British delegates. The French delegate spoke frequently but was very conciliatory. His chief aim appeared to be to ensure that the voice of France was heard on every issue.

OPENING SESSION

4. The opening Session, apart from the necessary formalities, was devoted to the Director's report. As this is already in print, its substance need not be repeated here. He made a fairly long supplementary statement, mostly repetitive. He mentioned in this that there was now an I.G.C. representative at Frankfurt, with two assistants in the American zone in Germany. There was also one in the British zone who would soon be joined by a colleague, and there

[109] S. M. Scott.

was one in the French zone. It would be their duty to facilitate and encourage the voluntary return of refugees. Not many were expected to return to Germany but a number were expected to return to Austria. It is hoped soon to start the Migration and Settlement Division of the Directorate, and an officer was to visit South America to encourage settlement there. He called attention to a recent declaration of policy in regard to the reunion of families made by the British Government, the substance of which I understand has been sent to Ottawa by Canada House.

5. In regard to travel documents, the Director apologized for the delay in the circulation of necessary papers, which was due to printing difficulties.

2nd SESSION

6. The 2nd Session, on the afternoon of the first day, was devoted to a useful discussion of the Director's Report. The more important points raised included the following:

7. A number of delegates, especially the Russian, were anxious to ensure that as much as possible is being done for Spanish refugees. The effect of the discussion will probably be to stir the Directorate to fresh efforts in this direction.

8. Several delegates spoke in favour of the early return of German and Austrian refugees to their homelands. The French delegate said his Government was prepared to instruct its officials in the French Zone and to talk with the Allied Control Commission in regard to the other Zones. The Director maintained here and in other Sessions that it was inadvisable to press for the return of any refugees to their homelands until conditions exist in those lands which would guarantee them a full and free life. He supported the voluntary principle. It was the duty of Governments and not primarily of the I.G.C. to bring about these conditions. These views met with no opposition, though the U.S.S.R. delegate refrained from endorsing them.

9. Linked with this question was that of "protection." This term during the Sessions acquired the meaning of political or consular support given by the I.G.C. Committee to refugees who had returned to their homelands or to those still in other countries. In France, the I.G.C. had become the official protector of Spanish, German and Austrian refugees, and in other countries it had for a long term been acting informally as a kind of protecting power.

10. From this point the discussion moved into the question of the Committee's mandate - the most delicate subject raised during the meetings. The U.S.S.R. delegate maintained consistently that the I.G.C. had been set up to look after victims of Nazi and Fascist persecution. Insofar as these duties have been fulfilled, the I.G.C. might then turn its attention to such people as the Spanish refugees. There appeared to be some evidence, he said, that the I.G.C. was interesting itself in persons who ought to be punished rather than helped. No other delegate supported this view, and the Australian delegate (the Australian Minister in Paris) took by implication the opposite stand. The Director's viewpoint was that the mandate was sufficiently wide to cover all possible classes of refugees whose plight arose through the European situation.

It was for the Plenary and the Executive Committees to determine as a matter of policy with what groups the I.G.C. should work. The Polish representative spoke rather obscurely but apparently in favour of protection for refugees who were at present in countries where their home governments could not look after them, whether for economic reasons or for lack of consular representation. He added that Poland favoured the voluntary return of persons who wished to return to Poland, but reserved to herself the decision as to who those persons should be.

11. The U.S.A. representative suggested that in its proper zeal not to discourage financial help from voluntary societies, the I.G.C. might be expecting too much from such societies.

3rd SESSION

12. The third session on Wednesday morning was devoted to the Budgets. The only significant statement on the Administrative Budget was on the part of Poland, whose delegate asked that Poland be relieved of the need of contributing for 1946 or, if this was not possible, that her quota be lowered. The Director hoped this point would not be pressed, pointing out that as few of the expenses of the Committee as possible were included in the Administrative Budget, in order to avoid hardship to any State. The Polish quota, by the way, is £1,760. It is understood that Poland will write to the Executive Commitee asking for exemption.

13. The Administrative Budget was accepted on the proposal of the U.S.A. and Brazil. The U.K. remarked that its approval was without prejudice to the whole question of the future handling of the refugee question.

14. Next came the Operational Budget. It is not necessary to repeat the figures given in the agenda paper. The Director said the expenditures in 1945 might be £1,000,000 or might be £1,100,000. He pointed out the necessity for contributions for 1945 and 1946 being paid, regardless of the future of the Committee, as the Budgets must go forward whoever sponsored them. It will be noted that this point is incorporated in the final resolutions at the last session. This was at the urgent solicitation of the U.S.A. delegate, who pointed out that the U.S. Congress would observe carefully what contributions had been made by other countries.

15. Still under the Operational Budget, the French delegate said that the figure of 70,000,000 francs subscribed by France for 1945 would be at least equalled for 1946. It was understood that this money would be spent on the refugees now in France, but it was, of course, in addition to the amount spent on French persons returned from other countries. Norway would contribute £5,000 for 1945. Switzerland and Belgium hoped soon to be able to announce their contribution for 1945, and the Director said that other States were giving consideration to the question.

16. The New Zealand delegate raised some particular questions on the Budget, including one concerning the large salaries paid to representatives. The Director replied that the most suitable officers were secured, and the salaries had regard to local costs of living and to previous remuneration of the persons

concerned. The particular case cited by New Zealand, a salary of £2,800 for the Middle East representative, was exactly what he had previously been paid as an official when employed by the U.K. Government.

17. Lest Canada be conspicuous by its silence in this recital of national intentions in regard to the Operational Budget, the Canadian representative said that while he was not authorised to make any specific statement, he could say that the Canadian Government was giving active consideration to a figure which might be put before Parliament as the Canadian contribution for 1945. He added that it was not always easy for member governments to determine upon what basis these voluntary contributions were desired and he cited, for example, the disparity between the estimated expenses and the actual expenses for 1944. It was as a result of this anomaly that, in agreement with the Director, the Canadian Government had withdrawn from its earlier intention of making a contribution for the year 1944. (It should be added that when the Operational Budget was being considered, the instructions dispatched by Ottawa in External's telegram of November 19th had not yet been received by the Canadian delegate).

18. The Director took this occasion to speak well of Canadian activity in the refugee field, and especially to mention the recent Order-in-Council in which 3,500 refugees are given permanent residence in Canada.[110]

19. The Operational Budget was adopted upon the motion of the U.S.A. and seconded by France and Canada. The U.S.A., in a reservation, approved on condition that the policy of the I.G.C. be not changed. This presumably had reference to the mandate question. It followed an assurance on the part of the U.K. representative that there was nothing sinister and no ulterior motive in the U.K. proposals for the future of the Committee. There was no intention on the part of the U.K. of refusing assistance to Spanish refugees.

20. Reference may here be made to Article I, para. 4 of the Rules for the Constitution,[†] which reads in part: "No resolution adopted by the Committee imposes any specific obligation on any member, even if the representative of the member has voted in favour of the resolution, unless the member, or its delegate on its behalf and being duly authorised, has expressly accepted the obligation in question."

4th SESSION

(This subject was actually begun towards the close of the 3rd Session).

21. The Session on the third day was devoted to the U.K.'s letter[†] regarding the future of the Committee, and the agenda paper based thereon. There was no acrimony in the discussion, although it appeared that the Director and the Foreign Office had not reached their conclusions in concert or through the same channels. Sir George Rendel did not criticise the Committee. He hoped that the Directorate would be absorbed in U.N.O. He conceived of the I.G.C. as having been created to meet a short-time emergency. Conditions having changed, the problem having become semi-permanent and a permanent

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[110] Document 1007.

international organization being now in process of construction, it would be suitable to transfer the permament problem to the permanent organization. The present financial structure of the I.G.C. was unsatisfactory. Its absorption by the United Nations Organization would automatically take care of this, both as to the securing and wise expenditure of funds. Projects would not need to be submitted separately and with long delays to individual States. The proposed change would remove suspicion of ulterior motives.

22. The U.K. proposal was supported by France and by Switzerland. The Netherlands delegate said that a certain autonomy should be given to the new organization.

23. The Director spoke at some length and favoured the U.K. proposal. He disputed, however, the U.K. view of the I.G.C. as an emergency organisation. It had been devised to meet the long-term problem. He favoured the scheme chiefly because of its financial advantage. He spoke strongly in favour of ensuring that the responsibilities of the I.G.C. should be safeguarded in the new scheme. He referred particularly to the kind of "protection" given by the I.G.C. to refugees, previously mentioned in this memorandum. He also referred to the particular projects already under way and to certain contractual obligations to which the I.G.C. was committed, such as that to the French Government and those to its own staff. He was anxious that the I.G.C. should itself be a party to the conversations which were envisaged with the U.N.O.

24. The U.S.S.R. delegate broke the silence he had been maintaining to say that all that was required was that the Committee should take note of the intentions of the U.K. One suspects this was his method of following the instructions he had received from Moscow. He made no objection to the subsequent amendments to his proposal. As already mentioned, it is probable that this action was concerted between himself, Sir George Rendel and perhaps Mr. Warren.

25. Sir George Rendel stated that the U.K. would support this view but would like to introduce some further points to meet the Director's observations. The U.S. representative proposed a further addition for fear that the work of the I.G.C. should suffer in the interim. He wished member governments to be encouraged to maintain their support.

26. It was then agreed that the U.S.S.R., U.K., U.S.A. and French representatives, with the assistance of a member of the Directorate, should draft a resolution for the afternoon's session.

5th SESSION

27. The Resolution as contained in the attached paper, was submitted by the delegates just mentioned and was unanimously approved with very little discussion.

28. With the formalities customary at such meetings, the Plenary Committee concluded its session.

[ANNEXE À LA PIÈCE JOINTE/SUB-ENCLOSURE]

Projet de résolution de la cinquième session plénière, le Comité intergouvernemental sur les réfugiés

Draft Resolution of Fifth Plenary Session, Intergovernmental Committee on Refugees

The Intergovernmental Committee on Refugees in plenary session takes note of the intention of the Government of the United Kingdom, as communicated in its letter of the 25th October, 1945, to the Director,† to take the necessary steps with a view to a recommendation being made to the General Assembly of the United Nations that refugee work should be administered within the framework of the Economic and Social Council as soon as that body is equipped for this task.

2. The Intergovernmental Committee takes note: that until information is available regarding the attitude of the United Nations Organization towards the proposal of the Government of the United Kingdom, it is not possible for the Intergovernmental Committee to proceed with the practical consideration of the implications of that proposal.

3. Wishes nevertheless to place on record the following views:

(a) In the event of the proposal of the United Kingdom Government being proceeded with, it will be necessary to ensure that the existing responsibilties, commitments and contractual obligations of the Intergovernmental Committee are properly safeguarded.

(b) Such steps should be taken as may be practicable and appropriate to secure the continuing co-operation, in the work of looking after refugees, of certain Governments, Members of the Intergovernmental Committee, but not Members of the United Nations Organization, who have hitherto been so usefully associated with that work.

4. RESOLVES THAT:

The Executive Committee of the Intergovernmental Committee shall have full power to conduct such negotiations as may be required to give effect to the views expressed in paragraph 3 above; or on any other matters arising out of the United Kingdom's proposal in so far as the activities of the Intergovernmental Committee may be affected thereby.

5. Pending any reorganization of the work for refugees which may result from consideration of the United Kingdom proposal by the United Nations Organization, the Intergovernmental Committee recognizes the necessity of continuing the work of the care for refugees with unimpaired energy, and urges the Member Governments to give early and favourable consideration to the matter of contributions to its operational expenditure.

Chapitre V/Chapter V

SECOURS POUR LES TERRITOIRES LIBÉRÉS ET OCCUPÉS
RELIEF FOR LIBERATED AND OCCUPIED TERRITORIES

Partie 1/Part 1

SECOURS MILITAIRES
MILITARY RELIEF

1025. DEA/2295-AG-40

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État adjoint aux Affaires extérieures

Special Wartime Assistant to Under-Secretary of State for External Affairs to Assistant Under-Secretary of State for External Affairs

Ottawa, February 3, 1944

I was asked to attend a meeting this morning with Mr. Bateman, Canadian deputy member of the C.P.R.B. and Messrs. Croft and Mallory, of the Department of Trade and Commerce, to discuss certain relief problems which Mr. Bateman is encountering in Washington.

Mr. Bateman said that the United States and British military authorities are continuing to make submissions to the C.P.R.B. for relief and rehabilitation supplies for Italy. He was concerned that virtually all of the allocations have gone to the United States and United Kingdom and that Canada has been left out of the picture as a possible source of supply. He said that he was at a definite disadvantage in this respect in that there was no Canadian machinery through which any Canadian allocations could be cleared or procured. The Department of Munitions and Supply does not wish to enter into the business of procuring for civilian relief purposes. He thought that it was urgently necessary to establish some agency in Canada which could act as a claimant for relief supplies and would carry out the necessary procurement and forwarding functions. He felt that if this were not done quickly Canada would not be able to participate effectively in the provision of military relief supplies. This would be harmful to our producers and to our general interests in building up post-war export markets. Mallory and Croft strongly supported him in this view.

I explained to Mr. Bateman that there is a financial problem involved in all this, in that some one will have to pay for any relief supplies obtained from

Canada during the military period. To what extent is Canada willing to pay for allocations from Canadian sources and how far is the burden to be divided between the United States and United Kingdom? This matter is in a state of confusion and at the moment there doesn't appear to be any solution. The problem of building up export markets through the provision of military relief supplies is considerably affected by the degree to which Canada will be required to carry the financial burden involved and by the fact that those supplies will be distributed by the British and United States military authorities. At present, at least, it is not clear how far Canada should press for participation in the provision of such supplies.

Mr. Bateman felt that whatever our policy is there does not seem to be any Canadian machinery for determining its application in specific instances. He urged that such machinery be established as quickly as possible and, in view of the immediate need for military relief supplies, this matter should not be postponed until UNRRA begins to function. If nothing is done the Canadian representatives with the Combined Boards will be helpless with regard to the determination or fulfilment of Canadian allocations.

This emphasizes the need for getting ahead with the setting up of a Canadian relief agency to handle requests for relief supplies from whatever sources they may be received. As it stands now, no one is responsible. If the appropriation for financing Canadian relief contributions is to be made to the Mutual Aid Board, it would seem logical that the administrative organization for the clearance of requests and the carrying out of policy should be set up under the Board along the lines we have discussed earlier.

In view of the fact that the problems of Canadian participation in the provision of relief supplies is upon us now in the form of concrete requirements by the military authorities, it would seem desirable to get on immediately with the job of building up the necessary machinery at the Ottawa end.

J. J. D[EUTSCH]

1026. DEA/2295-AG-40

Le sous-secrétaire d'État aux Affaires extérieures au sous-ministre des Finances

Under-Secretary of State for External Affairs to Deputy Minister of Finance

Ottawa, February 3, 1944

Dear Dr. Clark,

With reference to Canadian participation in the provision of relief supplies to liberated areas, I am enclosing for your information copies of three letters from Mr. Pearson in Washington† and a copy of a memorandum on Combined Board procedure for allocation of relief supplies.† These documents relate to 1. the difficult problem of financing relief supplies for distribution by the military authorities and the implications for Canada of the plans under consideration in London and Washington, 2. the relationship of the relief activities of the

military authorities to UNRRA, and 3. governmental machinery in Ottawa for the administration of Canadian participation in relief.

Subsequent to the receipt of Mr. Pearson's letters, Messrs. Pearson and Deutsch have discussed some of these matters in Washington with Dean Acheson, United States Assistant Under-Secretary of State. It was evident from this discussion that, although the question of arranging for relief supplies for the so-called "military period" has to be dealt with immediately, no solution has been found to the problem of financing of such supplies. The United States authorities were greatly upset by the British proposal that their expenditures for relief supplies during the military period should come out of their 1% contribution to UNRRA. The United States Administration has already secured approval by Congress of the principle of the 1% contribution to UNRRA and it would be very embarrassing if now it became known that the British contribution would be reduced by the amount expended during the military period. The United States is putting pressure on the United Kingdom Government to withdraw their proposal. Mr. Acheson hoped that Canada would find it possible to make its full 1% contribution available to UNRRA and that the Canadian Government would indicate its approval of the UNRRA formula in some appropriate way.

The matter of financing relief during the military period is thus completely open. Mr. Acheson said that the United States authorities have suggested to the British that each country, the United States and the United Kingdom, should each pay for the supplies originating in their respective territories according to the allocations of the Combined Boards and that supplies originating in third countries should be paid for by the government which has the right of pre-emptive purchase in the territory concerned. Mr. Acheson thought that this method would work out to approximately 75% for the United States and 25% for the United Kingdom. The British, however, are not prepared to accept this formula. Mr. Acheson asked whether the Canadian Government would be willing to pay for such military relief supplies as originate from Canada in accordance with Combined Board allocations. He was told that in view of the fact that Canada did not participate in the planning of relief activities during the military phase and owing to the uncertainties concerning the length of the military period it was not likely that the Canadian Government would be prepared to undertake such a "blind" commitment.

Because of the difficulties involved, Mr. Acheson appeared to agree that the military relief period should be short and that UNRRA should be asked to take over as early as possible. It was suggested that if the military would draw up an orderly programme of their relief requirements for a minimum period so that it could be put before the United Kingdom, United States, Canadian, and perhaps other governments it would probably not be too difficult to work out an equitable apportionment of the cost. Mr. Acheson, however, was not hopeful that the military would ever draw up an orderly programme. Mr. Acheson was anxious to receive suggestions, particularly, on how it is proposed to deal with the Canadian aspect of the question.

It would seem desirable to give early consideration to these matters together with the question of governmental machinery referred to in the enclosed memorandum. I shall try to arrange a meeting for this purpose in the near future.

Yours sincerely,

N. A. ROBERTSON

1027. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-688 Ottawa, February 17, 1944

Following for Pearson from Angus, Begins: Following is a summary of the discussion, at which you were present, in Ottawa on February 8 concerning the financing of relief during the military period, Begins:

The agreement establishing the United Nations Relief and Rehabilitation Administration[1] and the resolutions for the first session of the Council of this Administration[2] provide that civilian relief during the initial period of liberation shall be the responsibility of the military authorities. UNRRA may operate in any area only after consultation with and with the consent of the governmental authority (military or civil) which exercises administrative authority in that area. Furthermore, the military authorities are generally responsible for civilian relief in ex-enemy territories, and UNRRA may operate in such territories only from such time and for such purposes as may be agreed upon with military command, the established control authority, or duly recognized administration of the area, and subject to such control as the military command, or the established control authority, may find necessary.

The military authorities, in preparation for the carrying out of their responsibilities regarding civilian relief, are presently engaged in making arrangements for the necessary supplies. Supply arrangements are being made with respect to (a) liberation of occupied countries, and (b) civilian relief and rehabilitation of ex-enemy territory now occupied by the United Nations, i.e. Italy. In this connection the military authorities, through the Combined Civil Affairs Committee in Washington, have generally followed the procedure of submitting requisitions to the Combined Boards for allocation as to sources of

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[1]Voir Canada, *Recueil des traités*, 1943, N° 16.
See Canada, *Treaty Series*, 1943, No. 16.

[2]Pour les résolutions, voir George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*, volume III, New York, Columbia University Press, 1950, pp. 42-86.
For the resolutions, see George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*, Volume III, New York, Columbia University Press, 1950, pp. 42-86.

supply. Most of the requisitions, up to the present, have been submitted in respect of Italy, and no general programmes for relief in liberated territory have been put forward thus far.

While it would appear that arrangements have been worked out regarding the provision of physical supplies, no general arrangements have been made for the financing of such supplies. Various possible formulae have been discussed by the British and United States Governments but none have been agreed upon. The United Kingdom Government proposed that United Kingdom expenditures for military relief should come out of their contribution to UNRRA. This proposal is not acceptable to the United States Government. The Canadian aspect of this problem has been discussed only informally.

The Combined Boards in dealing with requisitions for military relief have considered Canada as a source of supply. Two questions immediately arise: How are supplies which are allocated to Canada to be financed and, if they are purchased by the United States or the United Kingdom, are the purchases of the latter to be financed through Mutual Aid? It was pointed out that no financial provision has been made in Canada for the purchase of Canadian supplies to be distributed as civilian relief by the British and United States military authorities. It was agreed that under existing legislation funds out of the War Appropriation or the Mutual Aid Appropriation could not be used for this purpose.

With respect to the question as to what arrangements, if any, should be made for Canadian participation in the financing of military relief it was felt that no conclusions could be reached in the absence of further information. In view of the fact that Canada has no direct responsibility for and does not participate in the planning of military relief activities and since supplies are distributed by the United States and British military authorities it was agreed that Canada could not enter into any general or open commitment such as would be involved in undertaking to finance whatever military relief supplies are allocated to Canada by the Combined Boards. It was thought that until a clear-cut and equitable arrangement is agreed upon supplies obtained from Canada for distribution by the British and United States military authorities should be paid for by the United Kingdom and United States Governments.

It was agreed that clarification should be sought from the British and United States authorities on the following points:

1. plans regarding the length of the period of military responsibility for relief and the general scope and nature of relief activities during this period. In the Canadian view the period of military relief in liberated territories should be as short as possible consistent with military necessity and UNRRA should be asked to assume responsibility at an early stage;

2. plans regarding the general scope of relief in enemy territory and the extent to which assistance from UNRRA will be sought;

3. plans for co-operation with UNRRA in the preparation of integrated programmes for the provision of relief supplies so as to prevent duplication and to ensure a rapid and smooth transition to UNRRA responsibility;

4. progress regarding the preparation of supply programmes for the military relief period with estimates of physical quantities required and such estimates of probable cost as can now be anticipated;

5. basis of distribution of relief and rehabilitation supplies during the military period; extent and nature of payment required from recipients and the purposes for which such payments are used or manner of their disposition; post-war claims, if any, upon ex-enemy countries;

6. arrangements regarding the provision and financing of relief supplies during the period of military responsibility in liberated territory the governments of which are in a position to pay.

When the information desired on the above matters has been obtained it would be possible to formulate appropriate recommendations regarding Canadian participation in the provision of relief during the military period. Ends.

I should be grateful if you would seek clarification of the points mentioned above from the State Department, and from the British officials in Washington who are concerned with this problem. It is hoped that it will not be necessary to make a direct inquiry from London. Ends.

1028. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 494 Washington, February 26, 1944

Sir,

As previously indicated, I have taken up with the Department of State and the British Embassy the points mentioned in your teletype EX-688 of February 17th, concerning the financing of relief during the military period. I hope shortly to have their replies to the questions asked. Meanwhile, I am in a position to give certain information on your questions.

(1) It is impossible, of course, to state exactly what the length of the periods of military responsibility will be, but for purposes of programming, six months has been generally assumed. During that period the activities of the military will cover all forms of relief and rehabilitation.

On these points General Hilldring, in charge of civil affairs at the War Department, testifying before the Senate Committee on Foreign Relations on February 10th stated:

"Senator Vandenberg. What would be the average period, if there is any pattern, that the Army would normally desire to maintain control of relief and rehabilitation behind the lines before turning it over to the civilian agencies? Is there any pattern?

"General Hilldring. Yes, sir. If you will allow, sir, that it is going to depend more on the progress of the military operation than on any other one factor, and that there will be a considerable variation from any given number of days or months dependent upon the rapidity with which we move forward, I can say that for purposes of planning both on the Army side and on the civilian side we have taken a period of 6 months as being for planning purposes the time of military responsibility.

"If we were to get a sudden collapse in any particular quarter where there was not any hard fighting that period would be considerably reduced."

"...it is the attitude of the War Department that its part in relief and rehabilitation is in the wake of battle; its responsibility arises from two fundamental requirements, one under international law, which visits upon the military commander a responsibility for the security of the civilian populations uncovered by the military operation; the other factor is directly operational in nature, and that is that civilian populations uncovered, and the administration of these populations, shall not be permitted to interfere with the military purposes of the operation. For those reasons we feel that there is a direct military necessity initially for the Army's having control of civil affairs. However, the instant there is no longer any military necessity for this civilian control the War Department feels that we should relinquish civil affairs, including relief and rehabilitation; and at that moment we feel there should be a civilian agency to which we can turn over relief and rehabilitation."

General Hilldring went on to explain the nature of the Army relief programme. In doing so he very definitely played down the rehabilitation aspects of that programme. He said:

"With respect to the Army participation in relief and rehabilitation, it is a modest program. It has for its purpose the placing of the civilian populations in repose. The program consists of simple items, such as food, soap, drugs, and a little fuel, plus those items which we introduce to reduce the relief load. For example, in Italy, in addition to the items I have mentioned, we have introduced seed and fertilizer for the purpose of reducing the amount of flour that we will have to procure in this continent—that is, purchase and ship to Italy. That we call rehabilitation in the Army."

(2) There have been no plans yet formulated regarding the general scope of UNRRA relief in enemy territories beyond paragraph 3, resolution 1, of the Council meeting at Atlantic City. I understand, however, that at the next meeting of the Council consideration will probably be given to enlarging the scope and nature of UNRRA work in enemy and ex-enemy areas.

The Army's attitude towards relief in enemy territories is, I think, sufficiently explained in the remarks by General Hilldring quoted above, and in which he makes no distinction between liberated areas and enemy areas.

(3) At the last meeting of the Committee on Supplies of UNRRA, a statement (which has been forwarded to Ottawa) was made by Mr. Acheson regarding plans for association of UNRRA with the Combined Civil Affairs Committee of the Combined Chiefs of Staff. Among other things, it is hoped

that by such association, civilian and military relief programmes can be integrated. Steps are also being taken to facilitate such integration by the Combined Boards. I hope to have something more definite to report on this matter shortly.

(4) The observations under (3) above apply also to the preparation of supply programmes. Certain of these military relief supply programmes have already been sent to the Combined Boards. I hope to secure copies of them shortly. It seems fairly clear now that the military will work through the Combined Boards in relief supply matters insofar as goods in short supply are concerned. It is not certain, however, that they will take the same course in respect of goods not in short supply. Difficulties may arise here.

I have no figures yet as to the probable total cost of military relief. On this point, however, General Hilldring said to the Senate Committee:

"With respect to the whole cost of this program in Europe, plans have been completed and have been integrated with our allies' program and are now before a committee of the Combined Chiefs of Staff. The program has not as yet been approved by the Combined Chiefs of Staff. The United States responsibility with respect to it is now being prepared in the budget office of the War Department for presentation to the Bureau of the Budget; and I think, as you gentlemen know, until we have accomplished both of those objectives, an officer of the War Department cannot say, for a number of reasons, how much a particular project is going to cost. But I think I can indicate, Senator, in this way, that it is a simple and a modest program."

He then stated that the U.S. Army cost of civilian relief in Italy from July, 1943 to January 10, 1944, amounted to $21,000,000. The British Army cost—largely for coal and petroleum—cannot yet be determined but will probably be around $5,000,000 for the same period.

(5) General Hilldring had the following observations to make on military relief distribution and payment:

"It is our policy, it is the policy of our Government, that we soldiers are following, that we will to the greatest extent possible dispose of these relief supplies in normal trade channels and with the least cost to us; and the fact that we have been able to do as well as we have in Italy has been more or less surprising to us; a little higher percentage has gone into commercial trade than we anticipated before we went in there." (The percentage in fact has been 95%).

"General Hilldring. We have established in Italy, sir, an allied military government, as you know. It is a combined Anglo-American Government. It is the present sovereign of the territory. The shipments of relief supplies go to that government. That government has a relief agency which operates for it, which transfers, sells, these relief supplies to dealers in Italy in these various commodities. The Government itself through its financial agency keeps the books on these transactions.

"Senator Tunnell. Does the Army get any money?

"General Hilldring. For the part that we sell, we get money for every pound we dispose of, through trade channels.

"With respect to the ultimate cost we look to the Treasury Department as our advisers on that, and if that is satisfactory to the committee I would rather have a Treasury official tell the committee the procedure by which the ultimate cost of this relief will be assessed as between the United States and the United Kingdom and the Italian Government. We are keeping complete books on this operation, Senator, and it is our present thinking that we, the soldiers, will not make the final settlement as to the ultimate cost of this. I do not know whether that is clear or not.

"Senator Vandenberg. Yes, I think so. I assume what you mean is that the value of the reimbursement will depend upon the ultimate peace settlement and the determination of accounts at that time.

"General Hilldring. Yes, sir; that is what I mean."

(6) I hope to be in a position to send you information on this point shortly.

I am enclosing with this despatch two copies of the hearings before the Senate Committee on Foreign Relations concerning UNRRA.[†] In addition to General Hilldring, Mr. Acheson and Governor Lehman also gave very interesting statements to the Senators. In fact, this document will bear careful study by those concerned with this matter in Ottawa.

Mr. Acheson made an interesting remark concerning the use of UNRRA funds for military relief:

"Senator Vandenberg. During that period, as I understand it, the Army takes the responsibility for whatever relief and rehabilitation is essential at the moment, is that correct?

"Mr. Acheson: Yes, Senator Vandenberg. The Army is in complete command and it does whatever it thinks is necessary from the military point of view.

"Senator Vandenberg. Do they do that out of military funds?

"Mr. Acheson. I think they will have to answer that. I cannot.

"Senator Vanderberg. They do not do it out of your funds anyway?

"Mr. Acheson. No, sir; not out of UNRRA's funds."

In discussing the total resources that might be available for UNRRA (page 19 of the hearings), Mr. Acheson used a figure of $75,000,000 for Canada. On this point he said:

"The income of Canada for 1943 as stated in an address by Mr. Brooke Claxton, who was the alternate delegate for Canada at the Atlantic City Conference, was 7½ billion American dollars, which would make their contribution $75,000,000."

I have etc.

L. B. PEARSON
For the Ambassador

1029. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 498 Washington, Feb. 28, 1944

Sir,

During the last few days, meetings have been held between Canadian officials here to discuss the Canadian aspect of relief questions as seen from the Washington end. Mr. Bateman, Mr. Pierce, Mr. Scott, Mr. Plumptre, Mr. Paterson, Mr. Allen and Mr. Pearson have participated in these meetings, and the observations below represent their collective view. It is hoped that they may be of some value to those considering this question in Ottawa.

1. *Problems faced by representatives of Canada in Washington in dealing with relief questions.*

The Combined Boards are now receiving from the U.S.-U.K. military authorities, and from UNRRA, programmes of relief supplies and requests for sources of procurement for such supplies. These questions are being considered by officials of the Boards and by the various commodity committees (farm implements, textiles, foot-wear and leather, etc.) established under those Boards.

Canadian representatives in Washington, on the Boards and their committees, have not yet received guidance from Ottawa on the Canadian Government's general policies and procedures regarding the provision of relief. Furthermore, there is no central Canadian authority on these questions whom Canadian officials here can consult when they are called upon to state whether Canada is prepared to meet a particular relief requirement which a Combined Board has recommended. Thus these officials are unable to participate as effectively as they would wish in this work and to protect and further Canada's interest in it. This difficulty is, of course, accentuated in the case of the Combined Civil Affairs Committee and the Combined Raw Materials Board on which Canada has no representation. It exists also, however, in the Combined Production and Resources Board and the Combined Food Board where the Canadian representatives are in a disadvantageous position in relief discussions in comparison with their colleagues from the United States and the United Kingdom.

An instance arose recently in which a Canadian representative on the Farm Implement Committee, (C.P.R.B.-C.F.B.), after securing in Washington the necessary information to determine a fair Canadian share of the proposed general relief programme, could only obtain approval of that programme in Ottawa by personal meetings with senior officials of several of the Departments concerned. Further, he is still unable to state whether Canada is willing for any part of its share in this programme to be utilized during the military

period, and if so on what terms. Similar instances will probably arise in the near future.

It is appreciated, of course, that in the case of the farm implement relief programme, Canadian difficulties were accentuated by doubts whether the programme was for UNRRA or military relief or both. Nevertheless, if there had been no doubts on this point, certain of the difficulties referred to in the previous paragraph would have remained.

Two steps would seem to us to be urgently necessary. They have no doubt already occurred to you.

1. The establishment in Ottawa of permanent machinery for handling relief questions generally and in particular for determining what allocations for relief can be sponsored by Canada and how those so sponsored can be implemented.

2. Pending the establishment of such permanent machinery, the immediate adoption of an interim procedure covering the sponsoring of allocations. Though interim machinery for procurement may not be so urgently required, it is also very necessary.

2. *Permanent machinery in Ottawa for relief questions.*

In this connection, the United Kingdom organisation to handle Relief matters may be of interest. In London, the Foreign Office is responsible for Relief Policy, and the Ministry of Production for Relief operations, in particular for the detailed work of procurement.

There are two committees on operations and supply questions; a ministerial committee, under the Minister of Production, and an inter-departmental committee of officials under a member of the Ministry of Production.

When there are conflicting United Kingdom claimants for available supplies, the case for Relief is put before Ministers by the Foreign Office which also handles relations with UNRRA generally.

There will, no doubt, be required in Ottawa some ministerial body to give direction and exercise control on Relief policy matters. This might be the Cabinet, or a Committee of the Cabinet. If the latter, possibly the Mutual Aid Board might be satisfactory, though the absence of the Secretary of State for External Affairs would be a disadvantage.

There should also, of course, be an inter-departmental committee of officials. It is understood that consideration is already being given to the establishment of such a committee, consisting of representatives of the Departments of External Affairs, Finance, Trade and Commerce, Agriculture, Munitions and Supply, and Wartime Prices and Trade Board.

Such a Committee would, under the general direction of the Cabinet or Cabinet Committee, be in a position to decide what types of goods Canada was prepared to supply for relief purposes and, broadly, the amounts and values of those supplies.

In considering questions of military relief, the policy of the committee will, of course, be affected by arrangements for financing such relief. This is discussed later in this despatch. With regard to non-military relief, the

Committee, in sponsoring particular programmes or spot requirements, would doubtless consider the size of Canada's financial contribution to UNRRA, the extent to which that had been drawn upon, the extent of further demands which were likely to arise, and so forth. In particular, it might decide how far Canada was anxious to supply manufactures as well as foodstuffs, having regard to the fact that additional contributions of manufactures might lay the basis for post war trade and might provide additional foreign exchange. It might also act as the advisory Canadian body to the Canadian representative on the Committee on Supplies of UNRRA.

A committee, such as that described above, would concern itself primarily with the broader considerations attaching to programmes. It might refer such programmes to other existing committees (such as the National Textile Committee and the Food Requirements Committee) for detailed analysis and recommendations. Working arrangements in regard to such detailed questions might also be made directly between the Canadian representative in Washington (e.g. on the C.P.R.B. Textiles Committee) and the corresponding Ottawa Committee (National Textile). Care would have to be taken, however, to ensure that the inter-departmental Committee in Ottawa were kept continuously informed of such direct arrangements.

In addition to machinery for sponsoring allocations and dealing with general relief matters, there should also be permanent machinery for implementing those programmes accepted by the Cabinet and Interdepartmental Committees. In the United Kingdom and the United States, the Ministry of Production and FEA respectively are responsible for implementing relief programmes. Responsibility in this regard has not yet been centralized in any department or agency in Ottawa. This should be done. If the relief vote is joined to the Mutual Aid vote, responsibility will no doubt lie in the Department of Munitions and Supply through the Mutual Aid Board. There will, however, require to be designated a particular official as administrator of the relief funds voted. He would carry out the procurement policies agreed on by the Ministerial and Interdepartmental Committees. He would also presumably be a member of the latter Committee. In fact, he might logically be its chairman.

The Administrator or Director of relief operations might also act as liaison between the Canadian representatives on the UNRRA Committees in Washington and the relief machinery in Ottawa. He could in addition have, under the Interdepartmental Committee, general jurisdiction over relief matters in Canada; such things as liaison with voluntary relief societies; the supply of suitable Canadian personnel for UNRRA operations; organizing the collection of gifts of relief materials, etc.

3. *Interim procedure for sponsoring relief allocations.*

Pending more permanent arrangements, an interim procedure to deal with allocations recommended to Canada by the Combined Boards is urgently necessary. The following is recommended.

In the case of commodities already under the jurisdiction of Canadian Interdepartmental Committees (e.g. textiles, and foods), it is suggested that

Canadian representatives attached to the Combined Boards or their committees should present recommendations for relief allocations from Canada directly to the Ottawa Interdepartmental Committee concerned. In the case of military relief supplies, however, this procedure will be subject to decisions reached in Ottawa on the questions discussed in the section of this despatch which follows. These Interdepartmental Committees in Ottawa will presumably deal with such recommendations in the same way that they deal with other recommendations now being received from the Combined Boards.

In respect of commodities for which there are no Interdepartmental Committees in Ottawa, e.g. medical supplies and metal products, clearance for relief allocations made to Canada will presumably have to be obtained temporarily from an appropriate Cabinet Minister. It would seem that the appropriate Minister would be Canadian member of the C.P.R.B., the Minister of Munitions and Supply, or in certain circumstances, the Canadian member of the Combined Food Board, the Minister of Agriculture.

4. *Military relief supplies.*

These present a special problem, in so far as their distribution and financing are concerned. UNRRA supplies are planned, administered and distributed by an organization in which Canada actively participates, and to which she has agreed to contribute. Policies and Programmes regarding military relief are determined by a Combined U.K.-U.S. agency on which Canada is not represented, and the resulting supplies are distributed by the U.K. and U.S. military authorities. Any other course regarding relief distribution would be impracticable unless the Canadian military authorities were in control of a particular theatre of operations. This is unlikely. It follows, therefore, that Canada will not get from the receiving population any credit for supplies such as wheat which cannot be nationally identified by the consumers; and only partial credit for relief supplies such as farm implements which can be so identified.

In default of any special arrangements, it might appear logical to make no distinction between relief supplies and other supplies required by the military authorities. This would mean that the United States would pay for military relief supplies from Canada in the same way that she pays for nickel from Canada. It will also presumably mean that the United Kingdom will receive military relief supplies—or certainly expect to receive them—under Mutual Aid. It can be argued that the United States should not object to this, as it is merely an extension of the existing situation.

If the above analysis of the position is correct, then in discussing military relief supplies required from Canada, Canadian representatives in Washington should presumably make it plain that for the time being and until Governmental policy is clarified, Canadian allocations to military relief programmes are to be considered on the same basis as her allocations to war supply programmes generally. In other words, the United States will be expected to pay for such supplies allocated to Canada for distribution by the United States military authorities.

There remains, finally, the determination of a permanent policy with respect to military relief. The arguments for giving such relief supplies without payment are as follows:

1. Canada might thereby obtain some voice in the disposition of such supplies through membership, for instance, on the combined Civil Affairs Committee of the Combined Chiefs of Staff. If we sell such supplies, we have obviously no claim to control their disposition and a weaker claim to membership on the above Committee.

2. In so far as the United Kingdom is concerned, payment will be difficult in any case; impossible, in respect of Canadian food supplies in existing overseas stockpiles and now earmarked by the United Kingdom authorities for military relief.

Should we make a distinction between the U.S. and U.K. in this matter? Is it, in fact, merely extending the existing situation? Is there not a distinction between selling the USA a gun or a tank for her armies and food to be distributed to destitute Europeans by those armies.

3. There may be strong commercial reasons for participating in military relief. In the case of manufactured goods, the products, whoever distributes them, will be identified as Canadian and they may lay the basis for post-war trade. The fact that non-identifiable products will be credited to the Army distributing them will be an advantage to Canada when her own army is doing the distributing even if it is a disadvantage when the distribution is by United States or United Kingdom forces.

4. Arrangements can be worked out whereby Canada obtains a fair share of the local currency received from the sale of supplies. These currencies might be used for the expense of her troops in those areas. In this connection, it should be remembered that 95% of the military relief supplies distributed in Italy have been sold through commercial channels.

5. We are members of the C.P.R.B. and C.F.B. and therefore have control over any recommendations from them for military relief supplies from Canada. If our members on those Boards accept such recommendations, does not that mean we also accept financial responsibility for them?

6. If we try to sell military relief supplies to the U.S.A., this will merely result in the United Kingdom drawing more heavily and the U.S. less heavily on Canada for such supplies.

The arguments *against* giving military relief supplies are as follows:

(1) Canada would have no voice in their control or disposition. This might, of course, be remedied as pointed out in (1) above.

(2) The U.S.A. has never previously questioned the fairness of our policy in selling her war materials. Why should she question it in the case of military relief supplies to be dispensed by her own armies?

(3) Canada would get no moral credit or commercial advantage from the gift, which would be distributed by the U.S. and U.K. armies. (This argument is partly answered in 3 above.)

(4) The U.S. and U.K. would, if the supplies were sold in relief areas receive local currency for goods given by Canada (this argument is answered in part in 4 above).

Weighing the arguments both pro and con, the attitude of Canadian officials in Washington is that, once the State Department has answered the questions asked in your teletype EX-688 of February 17, we should make a more positive approach to the problem of participation in military relief, avoiding on the one hand, any arrangement which would commit us to contributions without conditions, and, on the other, to the accusation that we are shirking our responsibility to do what we can to relieve civilian distress in the military, as well as in the UNRRA period.

I have etc.

L. B. PEARSON
For the Ambassador

1030. DEA/2295-AH-49

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 541 Washington, March 2, 1944

Sir,

With further reference to your teletype EX-688 of February 17th, 1944, concerning the financing of relief during the military period, I have received from the State Department an oral reply to the points which you raised and which were embodied in my letter to Mr. Dean Acheson of February 19th.† Mr. Acheson himself is out of Washington, so the information was given to me by his assistant, Mr. Wayne Jackson, who is the official immediately responsible for these matters in the State Department. Mr. Jackson stated that we had asked very pertinent and difficult questions on which it was quite impossible to give a final and definite reply at the present time. Questions regarding the nature, scope, and extent of military relief and the relations of military relief to UNRRA relief were in a very fluid state, and it was extremely difficult to come to any final decisions concerning them. As a matter of fact, final decisions at present would not be possible or desirable, because relief was bound to present a changing picture and methods for dealing with it would have to remain elastic.

So far as the specific questions you ask were concerned, Mr. Jackson commented on them as follows:

1. He had little to add to my reply to this question contained in our Despatch No. 494 of February 26th. He felt, however, that the United States military authorities were moving to the view that they should make the period of military relief in liberated territories as short as possible. He also felt that relations between the Combined military authorities and UNRRA were developing satisfactorily.

2. He stated that military relief in enemy territories would be kept to the very minimum, but that experience in Italy showed that this minimum would always be required; that there was no way of avoiding it. At present, UNRRA was not concerned with this matter, but Jackson confirmed my view that the relationship of UNRRA to relief in enemy territory might well be discussed at the next meeting of the Council.

3. Jackson referred, as I did in my despatch, to the memorandum produced at the last meeting of the Committee on Supplies which discussed relations with the military authorities. The Combined Boards are, as you know, now receiving relief programs both from the military authorities and from UNRRA, and efforts are being made to relate these programs and to keep them both flexible and tentative. Jackson confirmed that it might be difficult, and would probably be undesirable, to attempt to draw a hard and fast line between military and UNRRA relief supplies, both in respect of programs, allocations and procurement. The main thing was to build up a stockpile of supplies. This would certainly have to be done, in the first instance, by the Army and for the Army who are initially responsible; but it might well be that Army relief supplies would turn out to be more than those required for the military period, in which case it was understood that surplus supplies would be turned over to UNRRA, and the governments owning those supplies would receive a credit against their UNRRA contributions. There was, of course, a difficulty here, both for Canada and the United States, in view of the fact that the United Kingdom would be in possession of military relief supplies which she had secured by Lend-Lease from the United States and by Mutual Aid from Canada. Some way would probably have to be found by which financial credit for these supplies could be given to the countries furnishing them.

4. Jackson said that it was quite impossible to make an estimate of the probable cost of military relief. As to the estimates of the physical quantities required, some indication of this will be found in the memorandum from the British Army Staff to the U.K. Executive Officer of the Combined Food Board,† copies of which were sent to the Department on March 1st. These estimates, which are, of course, most secret and subject to change, cover only food and soap, but will give you an idea of the magnitude of the military relief problem as seen by the U.K. military authorities.

5 and 6. Distribution of relief during the military period will be made wherever possible through commercial channels. In so far as payment is concerned, the situation will be different in enemy countries than in liberated countries. In the former, payment will be secured, where possible, in the manner indicated by General Hilldring before the Senate Committee, and which I referred to in Despatch No. 494. Jackson emphasized that it was difficult to estimate now what will be realized eventually from ex-enemy governments in this way. The situation in Italy, for instance, was extremely confused. Four different kinds of currency were now circulating in Italian areas occupied by the United Nations forces. The situation in liberated Allied countries would be clearer, because governments of those countries would be established as soon as possible and would wish to take over at the earliest

possible date the distribution and, where possible, the financing of military relief supplies.

Jackson confirmed that the military authorities would expect the governments of liberated territories to pay for relief supplies wherever possible. They would probably not desire to strip such authorities of all their financial resources, which would merely add to the UNRRA burden. Nor would they insist on payment for military supplies to an extent which would make it impossible for a liberated government to have anything left for reconstruction purposes. Policy in this matter would vary with circumstances.

I have etc.

L. B. PEARSON
For the Ambassador

1031. DEA/2295-AH-40

Procès-verbal d'une réunion interministérielle

Minutes of an Interdepartmental Meeting

Ottawa, March 6, 1944

MINUTES OF A MEETING HELD ON MARCH 4 AT 11:30 A.M. IN THE OFFICE OF THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Present:
Dr. W. C. Clark, Department of Finance
Mr. R. B. Bryce, Department of Finance
Mr. A. D. P. Heeney, Privy Council Office
Maj. Gen. J. C. Murchie, Chief of Staff, Department of National Defence
Mr. N. A. Robertson, Department of External Affairs
Mr. H. F. Angus, Department of External Affairs

1. The meeting considered paragraph 4 of despatch No. 498 of February 28 from the Canadian Embassy in Washington. Consideration was given to the desirability of Canada seeking representation on the Combined Civil Affairs Committee of the United Nations and of using Canadian contributions to military relief to support this claim. It was decided that this question was part of the broader question of Canadian representation on inter-Allied bodies and should be considered together with other similar matters.

2. Consideration was given to the financial aspect of possible Canadian contributions to military relief.

(a) It was generally agreed that the Canadian contribution should be made proportionate to the Canadian share in the invasion of Europe. This share might be determined by rough estimates of the numbers of men furnished by the various countries or in some other equitable manner. It was assumed that in return for this contribution Canada would receive an equitable proportion of any payments made by the inhabitants in local currency or in any form by the governments of the countries concerned.

(b) It was pointed out that in addition to this direct contribution by Canada there might well be an indirect contribution which would take the form of

supplies now in the hands of the United Kingdom, which had been originally furnished by Canada under Mutual Aid, being diverted to relief purposes. It was assumed that in this case any receipts by way of payments in local currencies by the inhabitants of liberated countries or in any form by the government concerned would be credited to Canada. It was recognized, however, that it would be difficult to calculate the value of the supplies which might be diverted in this way.

(c) The third possibility would be that supplies which have originated in Canada might be made available by the United Kingdom, which had received them by way of Mutual Aid, and might either be paid for by the United States or be considered as counter Lend-Lease. It was considered that in this case also Canada should benefit by the payment or the credit. It was pointed out that in parallel circumstances the United States had expected to receive credit for the proceeds of sale of goods supplied under Lend-Lease.

(d) It was expected that supplies bought in Canada by the United States for relief purposes would be paid for in United States dollars.

(e) Supplies obtained in the future by the United Kingdom for relief purposes presented greater difficulties. It was considered that it might be easier to furnish supplies by Mutual Aid to the liberated countries if they were themselves parties to the military relief arrangements. If supplies were furnished to the United Kingdom, Canada would obviously be entitled to receive whatever might be realized eventually in local currencies from the inhabitants of liberated areas or from payments by the governments of liberated countries.

3. In summary, these arrangements treated relief in the military period as analogous to contributions to UNRRA, for which a limit is set to the financial contribution of each country, rather than as Mutual Aid contributions which are financed entirely by the country in which the supplies originate.

4. Some consideration was given to the contention that goodwill should be sought by ear-marking Canadian relief either as relief financed by Canada or as relief administered by the Canadian armed forces. The third possibility would be to identify such goods as could be identified by label as Canadian. The general view was that goodwill would depend rather on the effort of liberation than on popular beliefs as to the financial origin of the supplies, particularly as these might be distributed on a commercial basis or paid for by the recipient countries.

Note: A copy of despatch No. 541 of March 2, from the Canadian Embassy in Washington, is attached. It is self-explanatory and is closely related to the matters discussed at this meeting.

1032. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2209 Washington, April 10, 1944

IMMEDIATE. Following for Angus, from Pearson, Begins: Your teletype EX-1495, April 8, military relief supplies. Plumptre and I had an hour's conversation this morning with Lauchlin Currie,[3] Harold Stein, Chairman of Joint Supplies Committee of C.C.A.C., Angell of F.E.A. and Emerson of the State Department which helped to clear up a good many matters concerning which I, for one, was in doubt. The United States officials in response to questions from us stated that they understood quite clearly that allocations to Canada by the Combined Boards for military relief had nothing whatever to do with procurement or financing of the supplies in question. After the allocations were made by the Combined Boards, they would go back to the C.C.A.C. where the United States and United Kingdom representatives would work out between themselves arrangements for responsibility for the procurement of those supplies allocated to third countries. We emphasized to Currie that so far as Canada was concerned, we would expect that whichever Government on the C.C.A.C. was made responsible for procurement of Canadian allocations, that Government would have to purchase the supplies or work out with Canada an agreement on finance. I tried to show that Canada in this regard should be treated on the same basis as Brazil or any other of the United Nations, particularly as we were not represented on the C.C.A.C. or any of its committees. Currie rather deprecated this because of Canada's special importance in these matters and said rather jokingly that he felt sure that we would not wish to be classed with "lesser United Nations." He thought, however, that there was a good deal to be said for us being invited to join at least the Supplies Committee of the C.C.A.C. I think the Government should now give serious consideration as to whether we wish an invitation to be extended. At present, as I pointed out to Currie, when the C.C.A.C. agreed on procurement responsibility for Canadian allocations, each case would have to be taken up with the Canadian Government direct and considerable delay might be caused.

It became clear in our discussion this morning that though nothing has yet been decided, the C.C.A.C. will probably divide the procurement responsibility so that the United Kingdom takes over all allocations to all parts of the British Commonwealth.

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[3]Adjoint administratif du Président des États-Unis et administrateur adjoint, l'Administration économique à l'étranger.
Administrative Assistant to the President of the United States and Deputy Administrator, Foreign Economic Administration.

The Americans and, no doubt, the British seem to think that this will mean that the military relief supplies from Canada will be granted under Mutual Aid. We pointed out some of the difficulties for us in this procedure. Currie in his turn pointed out the political difficulties in the purchasing in Canada by the United States of military relief supplies which would eventually be distributed free or for local currency by the United States or United Kingdom armies or both. In reply to a question from Plumptre, Currie said that the 3,000 tons of farm implement machinery for military relief which it is now, I understand, proposed to procure in Canada would not be purchased by the United States.

In respect of UNRRA orders transferred to military relief insofar as the United States and United Kingdom are concerned, this would be merely a bookkeeping transaction. I pointed out that it would be something quite different for Canada and that the same problem was involved here as that which we had been discussing. Unless we were to reduce our account to UNRRA by the amounts of Canadian supplies which had been transferred, some special arrangements would have to be made. Plumptre, Geddes[4] and I are to see the UNRRA supplies people this afternoon and will discuss these matters from the UNRRA point of view. Ends.

1033. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2298 Washington, April 15, 1944

IMMEDIATE. With reference to my teletype No. WA-2209 of April 10 to Angus re military relief supplies, we would be glad to know here what Canadian policy will be in case the United Kingdom accept procurement responsibility for military relief allocations made to Canada. Will the United Kingdom be asked to pay in U.S. dollars? Will the supplies be given under mutual aid or will they constitute a debt? Have you had any discussion with Dr. Clark on this matter? Ends.

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[4]Chef, la direction des approvisionnements, la Commission en temps de guerre des prix et du commerce.

Chief, Supply Division, Wartime Prices and Trade Board.

1034. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-1657 Ottawa, April 20, 1944

Your WA-2298 of April 15, military relief supplies. Department of Finance advises that it would be difficult to answer this question at the present time and might even be dangerous to do so. The Mutual Aid Appropriation which the Government has decided to obtain is substantially less than the probable requirements in Canada of the United Kingdom over and above what they are able to pay for out of current receipts from Canada. If the United Kingdom accepts procurement responsibility for military relief allocations made to Canada these will have to be considered as part of the United Kingdom's total requirements in Canada and treated accordingly. It is proposed to discuss the United Kingdom's programme for the coming year at an early date but policies in this matter have not yet been adopted.

For your confidential information it is possible that the Canadian Government would be prepared to accept some direct financial responsibility for a portion of military relief and would prefer that any requirements in excess of this fraction which had to be obtained from Canada should be divided between the United Kingdom and the United States. In view of what I have already said some special method would have to be devised for financing that part of the supplies, financial responsibility for which fell on the United Kingdom.

It would appear to be premature to discuss this question with the Foreign Economic Administration or any other American agency before the Mutual Aid debate has taken place in Parliament or until some decision has been made as to the allocation of Mutual Aid funds for the ensuing year.

1035. DEA/2295-AH-40

Le sous-ministre des Finances au sous-secrétaire d'État par intérim aux Affaires extérieures

Deputy Minister of Finance to Acting Under-Secretary of State for External Affairs

Ottawa, April 29, 1944

Dear Mr. Wrong,

RE: MILITARY RELIEF

You will recall the series of despatches concerning Canada's participation in the supply and financing of military relief and the desirability of Canada being represented on the Combined Civil Affairs Committee, or at least on the

Supplies Committee reporting to that Committee, to which Mr. Robertson referred in his letter to me of April 11th.†

After further thought on this matter, in the light of the information provided us from Washington, I believe it would be desirable for Canada to participate directly in the provision of supplies for military relief and in the financing of them, along the general lines which were considered at the meeting in Mr. Robertson's office on March 4th.[5] More specifically I would suggest—and I would emphasize that I have not taken this matter up with my Minister—that the Department of External Affairs might put forward, presumably to War Committee through the Acting Secretary of State for External Affairs, a proposal along the following lines:

1. Canada should offer to participate in the financing as well as the physical provision of supplies for military relief, provided that she is represented on the Combined Civil Affairs Committee and its Supply Committee when matters concerning relief are being considered.

2. This financing and provision of military relief supplies would be additional to and distinct from the financing and provision of supplies for UNRRA and for enemy-occupied areas, particularly Greece.

3. Canada should offer to finance a share of military relief supplies proportionate to her share in the military effort in the Western and Southern European theatre (i.e., excluding Russia). This share might most reasonably be determined by the number of the Canadian forces in the European theatre in relation to the total number in the armed services of the United States, the United Kingdom and Canada in the European theatre.

4. The financing of such supplies should not be directly related to the country of origin of the supplies. If the Canadian financial contribution should exceed the value of supplies procured in Canada, we should put up the excess in any currency required. If supplies obtained in Canada should exceed the Canadian financial contribution, we would expect the Combined Civil Affairs Committee to arrange for us to be paid in Canadian dollars for this excess—presumably at the cost of either the United States or the United Kingdom or both. It would be arbitrary and illogical to have the financial responsibility determined or limited by the action of the various Combined Boards in allocating responsibility for physical supplies, as the Boards are not concerned with financial matters and should not be expected to take them into account in their decisions.

5. The cost of financing such military relief supplies should be charged to the War Appropriation under Army allocations. Of course, a special allocation would be made for this purpose. It would also be desirable to have Parliament informed of the Government's decision to do this, preferably, I should think, before the War Appropriation Act is passed. It is suggested that one might take the attitude that this military relief is a recognized part of the military cost of the invasion, just as much as, say, tanks or engineering or medical

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[5]Voir le document 1031.
See Document 1031.

supplies; indeed, the relief will probably be issued from the same stocks as army rations.

6. In order to facilitate the immediate placement of contracts for certain types of supplies for military relief, if the general lines of policy suggested above are approved, temporary authority might be given to the Army to enter into commitments and, if necessary, make expenditures through the appropriate agencies, up to a figure of, say, a few million dollars, which would be safely within the share which Canada would be offering to finance.

7. As yet, as I understand it, Canada has not received any direct requests for military relief supplies, and specific cases have reached us only in the form of allocations by the Combined Boards. Before undertaking any commitments, I presume, Canada will have to get a formal request of some kind from the Allied military authorities.

8. Apparently the American authorities are assuming that military relief supplies from Canada will, more or less automatically, be financed from Mutual Aid funds. While certain of the supplies provided to the United Kingdom under Mutual Aid have been and may in future be, diverted to military relief, we have not intended that Mutual Aid should be used for this purpose and have not allowed for it in the Mutual Aid appropriation that has been proposed to Parliament. Moreover, the general policy in respect of Mutual Aid has been to provide goods directly to the nation ultimately to receive them, not for re-sale or even retransfer to other nations, and it would be inconsistent with this principle for Canada to furnish military relief supplies to the United States or United Kingdom for distribution, mainly as sales, to those in liberated territories. Transfers to enemy territories could certainly not be made under the Mutual Aid Act and it would not be possible in advance to make sure that military relief supplies would not find their way to some ex-enemy areas.

9. I understand that military relief supplies will normally or at least frequently be sold for distribution to liberated areas and the military authorities will receive local currency in payment which will be used, at least in considerable part, to meet military expenditures in these local currencies. If Canada is to share in the financing of military relief supplies then she should share in some manner in the receipts obtained from them - possibly in the form of credits to the Canadian forces in their accounts with the United Kingdom and United States forces with whom they will be cooperating. In Italy, I understand, Canada has obtained local currency from the United Kingdom authorities in return for payment in sterling, and presumably bears a portion of other local currency costs indirectly through capitation rate payments to the United Kingdom. If Canada had credits in respect of the sales of relief supplies they could be applied in determining the net amount owing by Canada in such settlements as these.

The foregoing suggestions are put forward merely to serve as a basis for further discussions.

Yours very truly,

W. C. CLARK

1036. DEA/2295-AH-40

Le ministre aux États-Unis à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaire extérieures

Minister in United States to Special Wartime Assistant to Under-Secretary of State for External Affairs

Washington, May 4, 1944

Dear Henry [Angus],

I was glad to get your teletype EX-1862 of May 3rd,† with the letter from Clifford Clark regarding the financing of military relief. I sent a copy of this teletype to Plumptre, among others, and have received from him today a copy of a letter on the same subject which he sent to Clark. Possibly if he had received your teletype before sending his letter, he might have changed it in one or two respects. It is, however, a clear and useful analysis of the problem, and for that reason I am enclosing a copy herewith.

I find myself in agreement with the views expressed by Plumptre in this letter, and I gather from Clark's letter that he also has some sympathy with them.

Yours sincerely,

MIKE PEARSON

[PIÈCE JOINTE/ENCLOSURE]

L'attaché financier, l'ambassade aux États-Unis, au sous-ministre des Finances

Financial Attaché, Embassy in United States, to Deputy Minister of Finance

Washington, May 3, 1944

FINANCING OF MILITARY RELIEF FROM CANADA

Dear Clark,

The problem of financing military relief from Canada is one which has been actively interesting several of us here in Washington, particularly Mike Pearson, George Bateman, and myself. While I do not think that I have ever talked to you about it, Bateman has given me some indication of your views. As I understand it, your position very briefly is that it would be politically unjustifiable for Canada to provide military relief under present circumstances in which Canada has no control over the allocation, disposition or distribution

of such relief, and no access to the moral credit or financial returns obtained for such relief in liberated territories. I fully concur in this attitude.

On the other hand, it seems to me that we should anticipate a position in which some or all of the difficulties and objections mentioned above were withdrawn. For example, it is conceivable that Canada might be offered a place at the meetings of the Combined Civil Affairs Committee, which, under the Combined Chiefs of Staff, is responsible (I understand) for planning and organizing military relief; further, arrangements might be made for Canada to participate in the receipts from military relief distributed in liberated territories; and so forth. In short, circumstances might arise in which it might be considered desirable for Canada to participate in financing military relief, or at any rate, in which it might be quite embarrassing for Canada to refuse point blank to do so.

This raises the question in my mind whether the Mutual Aid Bill in its present form (or any other Bill), if passed, would permit the inclusion of a certain amount of expenditures for military relief. I fully appreciate the fact that the Mutual Aid appropriation at present proposed is insufficient to meet all the demands which are likely to be made upon it, and that you naturally cannot welcome any suggestion of additional burdens on it. Nevertheless, I would like to urge upon you most strongly that the way should be left open, either in the Mutual Aid Bill or in some other financial measure, for Canada to provide some military relief under acceptable circumstances.

My reason for urging this policy is because of the difficulties which might be expected to arise in Washington if, by Parliamentary action, Canada was precluded from providing any military relief under any circumstances. As you know, the Combined Boards are actively allocating sources of supply for relief purposes. It is urgently necessary that the production and procurement of relief supplies should proceed with the least possible delay. If the Canadian Government's hand is so tied by Parliamentary action that we are forced into the intransigent and unyielding attitude that under no circumstances will we finance any military relief, it will almost certainly evoke a similarly intransigent attitude on the part of the U.S. and U.K. procurement authorities, who will state that under no circumstances will they purchase any military relief in Canada. Such an attitude might not be alarming if it were possible to distinguish clearly in advance between relief for use in the military period and in the UNRRA period. But this is absolutely impossible. Accordingly, if we take an absolutely intransigent attitude on the question of military relief, it is likely seriously to interfere with arrangements for the placing in Canada of UNRRA relief requirements.

The position outlined in the preceding paragraph is not merely my own imagination. It is a situation which is actually emerging in the field of farm implements and other relief supplies.

Let me emphasize that, in view of the considerations mentioned in the first paragraph of this letter, I am not suggesting that we should make any commitment whatever at the present time in regard to military relief. I am only urging that we should be left some freedom of manoeuvre in that field and that

our hands should not be completely tied by Parliament to a policy of no military relief under any circumstances. I know that Bateman concurs with me in this attitude. I believe that Pearson does also, but, owing to his absence from Washington, I have not been able to discuss it with him.

Accordingly, I should greatly appreciate any reassurance you can give me to the effect that, under the existing Mutual Aid Bill or under some other Bill to be passed at this session of Parliament, it would be legally permissible for Canada to participate to some extent in supplying military relief.

Yours sincerely,

A. F. W. PLUMPTRE

1037. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, May 17, 1944

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MILITARY RELIEF; FINANCIAL PROVISION

13. THE ACTING UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted a memorandum respecting Canadian participation in military relief, copies of which had been circulated.

It was expected that large quantities of relief supplies would be procured in Canada for use during the period of military control and prior to the assumption of responsibility by UNRRA. Such supplies would be paid for in part only in the currencies of liberated countries. Early decision was required, however, as to how procurement was to be financed and as to what part Canada should play in the administration of goods distributed by Allied forces.

As a basis for discussion with U.K. and U.S. authorities, it was suggested:

(1) that Canada should offer to participate in the cost of military relief in a proportion commensurate with Canadian participation in the military operations themselves;

(2) that supplies purchased in Canada should, in the first instance, be financed out of Canadian funds provided from the military appropriations;

(3) that Canadian participation should be dependent upon adequate Canadian representation on the Supplies Committee of the Combined Civil Affairs Committee in Washington, and on the Combined Civil Affairs Committee when matters concerning relief were under discussion; and,

(4) that, pending the conclusion of satisfactory arrangements and to enable immediate needs to be met, authority be given for commitments for orders to be placed in Canada for military relief up to an amount of $5,000,000, chargeable to the War Appropriation.

(Memorandum, External Affairs, May 15, 1944—C.W.C. document 782).[†]

14. THE MINISTER OF MUNITIONS AND SUPPLY pointed out the necessity of maximum co-ordination of plans for military relief and UNRRA.

Canada should insist upon adequate representation in the administrative machinery for military relief as a condition of the provision of supplies.

15. THE MINISTER OF NATIONAL DEFENCE drew attention to certain difficulties attendant upon the application of the formula suggested.

16. THE WAR COMMITTEE, after further discussion, agreed that the Washington Embassy be instructed to make an informal approach to the U.K. and U.S. governments along the lines suggested by the Acting Under-Secretary.

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1038. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-2069 Ottawa, May 17, 1944

The War Committee of Cabinet has authorized the commencement of informal discussions in Washington with the United Kingdom and United States authorities concerned on the subject of military relief with a view to ascertaining whether a settlement of the problem along the following lines would be generally acceptable:

1. Canada to participate in the ultimate dead weight costs of military relief in a proportion commensurate with Canada's participation in the military operations themselves;

2. Supplies purchased in Canada to be financed in the first instance out of Canadian funds which, as military relief is an integral part of the invasion operations, will come from the Canadian military appropriations;

3. In making this offer Canada expects representation on the Supplies Committee of the C.C.A.C. in Washington and on the C.C.A.C. itself when matters concerning relief are under discussion.

As it is hoped that immediate effect can be given to any agreement which may be reached, it is proposed to charge orders up to $5,000,000. against an allocation from the War Appropriation. This action will require the consent of the Treasury Board and this consent will be sought if a favourable report is received from you.

The purpose of the foregoing proposals is to make it possible to place orders in Canada for all supplies which it is wished to obtain from Canada for the purposes of military relief while at the same time protecting Canada against having to pay more than a fair share of the cost of the relief. The cost to be shared will of course be the net or dead weight cost, that is to say the cost to

the relieving countries after allowance has been made for any receipts in connection with relief operations. The proposal that the fair share should be computed to be Canada's share in the invasion will require some elaboration and your discussions should, if possible, determine the simplest way of calculating a fair proportion. Our tentative proposal envisages a proportion corresponding to the number of ground troops committed to the invasion in the first instance and it would appear to be important that, whatever test may be used, the share which Canada is to bear in the total cost can be computed as soon as the invasion begins; that is to say, it should not depend on the efforts which the invading countries may ultimately make.

When a minute of the decision of the War Committee is received, I shall send you confirmation of this teletype.' Ends.

1039. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-3141 Washington, May 22, 1944

IMMEDIATE. Following for Wrong from Pearson, Begins: General Pope, Plumptre, Paterson, Monture,[6] Allen and I discussed this morning the matters raised in your teletype 2069, May 17, on Canada's responsibility for military relief. We came to the conclusion that quicker progress would be made in discussions of this matter with the U.S. and U.K. authorities here if we could put to them a concrete proposal based on the application of the formula agreed on in Ottawa; rather than the formula itself. If we adopt the latter course, there might ensue long and somewhat complicated discussions. If we adopt the alternative course, we would merely suggest to them that we accept financial responsibility for a percentage of the military relief required by the combined forces. We would ourselves calculate this percentage on the basis of the formula which you propose namely our army share in European invasion operations. General Pope thinks that this would amount to approximately 8 percent. Military experts in Ottawa will be able to confirm or revise this. If the U.S. or U.K. authorities press us for information as to the basis of our calculation of the Canadian proportion, we can give this to them but I do not think we need volunteer it.

Furthermore, we should make it clear to U.K.-U.S. that once the percentage is accepted and if the orders for military relief placed in Canada do not reach that amount, we will make available dollar resources up to our total percentage; on the other if the amount of military relief required from Canada

[6]Officier exécutif canadien, la Commission composée de la production et des ressources.
Canadian Executive Officer, Combined Production and Resources Board.

exceeds our percentage figure[7] then the excess will be procured in Canada by purchase by the United States or United Kingdom military authorities or both.

If you agree with the procedure as outlined above which is in essence exactly the same as yours except that we determine ourselves the application of the formula agreed on, I can then take the matter up at once with the United Kingdom and United States authorities here. Ends.

1040. DEA/2295-AH-40

Mémorandum de l'attaché financier, l'ambassade aux États-Unis, au ministre, l'ambassade aux États-Unis

Memorandum from Financial Attaché, Embassy in United States, to Minister, Embassy in United States

Washington, May 23, 1944

FINANCING MILITARY RELIEF FROM CANADA

This is to a summarize the discussion which took place in your office this morning with various U.K. officials, including Marris, Holmes, and Harmer. I carried on, to the best of my ability, for nearly an hour after you had to leave.

1. *Implications of the Canadian offer.* It was explained to the U.K. officials that Ottawa had been approached with a suggested modification of the considerations originally sent to us in EX-2069 of May 17. Specifically, we had suggested to Ottawa that we ought to propose to the U.S. and the U.K. that Canada would undertake to finance a definite percentage, say, 8 percent of the ultimate cost of military relief.

The U.K. officials emphasized that our 8 percent (or whatever it might be) must refer only to the final settlement. Arrangements were urgently necessary for immediate procurement of military supplies, and it was quite possible that more than 8 percent might be required from Canada. They believed it was extremely unlikely that the U.S. authorities would continue placing any orders in Canada for military relief.

We had some discussion of what the ultimate net burden of all European military relief would be. Current estimates of the gross outlays involved were in the neighbourhood of $600,000,000. However, it was also estimated that something like 80 percent of these outlays might be recoverable in foreign exchange. If the Canadian contribution were to be 8 percent, this would mean an initial gross outlay of $48,000,000, but an ultimate net burden of only $9.6 million.

The problem of ultimate settlement of the account was giving the U.K. much concern, because they, like ourselves, anticipated a position in which they would be called on for physical supplies in excess of any financial responsibility which seemed fair. Thus, they, like ourselves, would expect a payment,

[7]Note marginale:
Marginal note:
W[oul]d not be known when purchase had to be made.

presumably from the United States, at the "Judgment Day". They were not optimistic about getting a firm commitment regarding such payment from the United States Army or the United States Treasury, and considered that the best that could be hoped for was a definite commitment from State Department. Then, when the Judgment Day came, it ought to be possible to obtain the funds from some military appropriation. Alternatively, and far preferably, the foreign exchange received from "paying countries" might be pooled and distributed in a manner eliminating any direct obligations between U.S. and U.K.

2. *The problem of proceeds in local currencies.* The U.K. approach to this problem is now simpler and clearer than most of the thinking on the subject in the past, at least in reference to the paying countries of western Europe. The U.K. understands, although it has no formal commitment, that the governments of these countries intend to pay foreign exchange (in United States dollars or sterling) for all military relief supplies. Thus the question whether military relief supplies are sold or given away, while of concern to the national governments of the liberated territories, is of no concern to the supplying countries which expect to be paid in either case. The national government of a liberated territory is, of course, concerned with whether military relief supplies are sold or given away. Their concern was explained to us by the U.K. officials along the following lines.

The Allied invading armies will have certain general needs for local currency. These needs may be met in either of two ways: (a) The Military authorities may disburse new paper money which they will bring with them, and which, when put into circulation will become an obligation of the national government of the territory, and (b) they may disburse local currency obtained from the sale of relief supplies. Obviously, the greater the sale of relief supplies under (b) the less will be the need to issue new paper money under (a). (The U.K. officials seemed to be taking rather a legalistic view of this point, emphasizing that the national government would want to minimize its outstanding obligations. Alternatively and preferably, it might be said that, to the extent that military relief was sold rather than given away, inflationary pressures in liberated territories would be reduced.)

The U.K. apparently intends to make special arrangements with the national governments concerned for supplies of local currency needed for the local pocket money of the U.K. troops and other special purposes which are considered to be a financial responsibility of the U.K. rather than of the country concerned. The U.K. would purchase such currency for sterling. (Of course, the currencies so purchased would be indistinguishable from the supplies of currency taken into the liberated area for general purposes as mentioned above, but separate sets of books would be kept for the supplies of local currencies designed for the different purposes.) If any of the currency so purchased were still retained by the U.K. at the close of military operations, the U.K. would expect to sell this residue back to the national government for sterling. The U.S.A., however, is apparently making no such arrangement with

the governments of liberated territories; instead it is leaving all such matters to be settled at a later date.

3. *Implications of conditions attached to the Canadian offer.* A question was raised regarding the exact status requested by Canada on the C.C.A.C. and the C.C.A.C.S.[8] Apparently the form of words used in EX-2069 is not quite clear. After some discussion another form of words appeared to be more appropriate—that Canada should request "membership of the C.C.A.C.S. and representation on the C.C.A.C. when recommendations of the C.C.A.C.S. are under discussion."

In this regard it should be emphasized that the C.C.A.C.S. makes recommendations to the C.C.A.C. concerning both the sources and destinations of supplies; it is not concerned, however, with administrative matters.

When this matter was under discussion, I gained the impression that there would be little difficulty in obtaining membership of the C.C.A.C.S. On the other hand, we would be well advised to be diplomatic in requesting a place on C.C.A.C. itself.

4. *Present position of U.S.-U.K. arrangements.* The position between U.S. and U.K. appears to be that U.K. made a proposal some months ago to State Department that the cost of military relief should be shared with U.S. roughly in proportion to their respective contributions to UNRRA. A United States suggestion has been that U.K. should supply all military relief from the British Commonwealth and Empire, that the United States should supply all military relief from U.S. and its possessions, and that they should share equally the cost of relief from other countries. Not much progress has been made in reconciling these fundamentally divergent approaches. However, the United States Army has recently announced in the C.C.A.C. that it was going to approach Congress for funds on the latter basis (having had no discussion with State Department or with the U.K. regarding the matter). In view of the urgency of making actual purchases of relief supplies, the U.K. has acquiesced, but are trying to insist that this should in no way prejudice final arrangements.

The U.K. has not approached either the F.E.A. or the U.S. Treasury in regard to this matter, and they would advise us against such an approach. (In view of the far better relations which we have been able to maintain with the U.S. Treasury, it may nevertheless be useful for us to invoke their support at some time).

5. *How should the Canadian offer be made?* I raised the question whether it was desirable for a formal approach to be made by the Canadian Combined Chiefs of Staff Mission to the Combined Civil Affairs Committee. This seemed to have the following advantages:

(1) It involved a direct approach to the parties primarily concerned.

(2) It involved a simultaneous and identical approach to both the U.S. and the U.K.

[8]Combined Civil Affairs Committee Supplies [sub-committee].

(3) It would appear to confine to Washington all discussions of the Canadian offer.

However, the U.K. officials felt that an approach through the usual diplomatic channels was preferable. This raised the difficulty that, since Canada could not formally approach the U.K. in Washington, an approach through London or Ottawa would be necessitated, and discussions might become decentralized. Marris agreed with me that it was very desirable to centralize discussions in Washington.

After some discussion of these pros and cons, and in view of the fact that the Canadian offer had apparently been under discussion while the Prime Minister and Mr. Robertson were in London recently, it seemed reasonable that Canada should present identical formal communications on the subject to the State Department and to London through Canada House. In any case, Marris requested us to be sure to keep him informed regarding our approach to the State Department, so that he could take steps to ensure that the U.K. officers on the Combined Chiefs of Staff received appropriate instructions from London.

1041. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis[*]

Secretary of State for External Affairs to Ambassador in United States[*]

DESPATCH 791 Ottawa, May 29, 1944

SECRET

Sir,

I have the honour to inform you that the War Committee of Cabinet has approved in principle of inquiries being made from the authorities in the United States and in the United Kingdom in order to ascertain if arrangements along the following lines would be acceptable with regard to the financing of military relief during the period preceding the time when relief can be managed exclusively by UNRRA.

(a) Canada to provide for the financing in the first instance of all orders placed in Canada for the purpose of military relief;

(b) The ultimate cost of military relief to be apportioned in such a way that Canada's share will correspond to the Canadian share in the liberation of Western Europe as compared with the shares of the United Kingdom and the United States;

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[*]Une dépêche semblable fut envoyée au haut commissaire en Grande-Bretagne.
A similar despatch was sent to the High Commissioner in Great Britain.

(c) Canada to have representation on the Supplies Committee of the C.C.A.C. and to be represented on the C.C.A.C. itself whenever supply questions are under consideration.

2. It has, therefore, been decided to present identical proposals to the Governments of the United States and of the United Kingdom, and I should appreciate it if you will explain the Canadian position to the State Department and leave with them the following memorandum:

"The Government of Canada is impressed with the urgency of making arrangements for military relief which will both enable the fullest use to be made of Canada as a source of supply and keep Canada's contribution to the ultimate cost of military relief in a fair and reasonable relationship to the contributions of the United Kingdom and the United States. It is desired to ascertain if the following proposal would be acceptable in principle:

(a) Canada should make provision for financing any orders that may be placed in Canada for military relief;

(b) After account has been taken of the contributions made to military relief by Canada, the United States and the United Kingdom respectively, and of whatever benefits may have accrued to those countries as a result of the resale in Europe of military relief supplies, the ultimate or net cost of military relief should be shared in a predetermined proportion;

(c) Canada should pay for a proportion of the military relief corresponding to Canada's proportion in the liberation of Western Europe, as measured by the numbers in the Canadian ground forces destined for that operation in comparison with the ground forces of the United Kingdom and the ground forces of the United States. A tentative estimate suggests that this proportion may be of the order of 8 per cent;

(d) Canada should be represented on the Supplies Committee of the C.C.A.C. and Canadian representatives should be invited to the C.C.A.C. itself when relief questions are under discussion."

3. In presenting this memorandum the following points should be explained in a more informal way:

(a) The proposed arrangement is sufficiently elastic to make it possible for orders to be placed equally freely in Canada by the United States military authorities or the United Kingdom military authorities, or by some joint agency, or sometimes by one agency and sometimes by another. It would include orders previously placed by either the United States or the United Kingdom for which payment may have been made since the supplies obtained in this way would count as a contribution to military relief by the country which had paid for them and not as a Canadian contribution;

(b) Special consideration would have to be given to supplies obtained by the United Kingdom through Mutual Aid procedure and subsequently made available for military relief. It is suggested that these should count, for the purposes of the present arrangements, as United Kingdom contributions to relief.

(c) The proposed arrangement is sufficiently elastic to conform to any arrangement which it may be found expedient to make with regard to receipts from the sale of military relief supplies. These receipts might take the form of payments in sterling or dollars by foreign governments or of payments in the currencies of the liberated countries; but for the purpose of the present arrangement whichever of the three countries receives any money on this account will take these receipts into account in calculating its net contribution to military relief. It is, of course, between the net contributions of the three countries that equitable proportions are to be maintained;

(d) Although it is desirable to fix the Canadian percentage of the ultimate cost of military relief as early as possible, it would not be necessary to wait for this percentage to be fixed before putting the proposed supply machinery into operation. As soon as it is agreed in principle that an arrangement should be made along the lines proposed, a Canadian credit will be established for the purpose of financing orders on military relief account.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1042. DEA/2295-AH-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1581 London, June 27, 1944

Reference my despatch A. 323, June 5th,† financing of military relief.

The following interim note has been received from the Dominions Office, under date of June 26th, Begins:

Careful consideration has now been given by Departments here to the proposals made in the memorandum which you handed to me on June 5th[111] and to supplementary explanations.

I need hardly say that this indication that the Canadian Government are prepared in principle to share in the cost of relief during the military period is very welcome to the United Kingdom authorities; and they are very glad to learn also that the Canadian proposals provide for the immediate financing, by means of a special credit, of any orders that may be placed in Canada for military relief.

While desiring, however, to express their warm appreciation of the Canadian Government's readiness to assume a share of the financial burden, they regret that they are not yet in a position to express their considered views

[111]Voir le document précédent.
See preceding document.

on the details of the Canadian Government's proposals, since the matter is complicated by the discussions which have been taking place in Washington on the general question, and it has, therefore, been necessary to consult our representatives there in order to ascertain the latest stage which these discussions have now reached. Every effort will, however, be made to make speedy progress with this matter, and I hope to be able to let you have considered views at an early date. Ends.

MASSEY

1043. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-4029 Washington, July 5, 1944

IMMEDIATE. I discussed this morning with Mitchell of the State Department at his request our proposal for financing military relief supplies from Canada. He apologized for the delay in replying to my communications to Acheson on this subject;[11] delays caused by necessity of securing the views of the War Department on our proposed membership on the C.C.A.C. Sub-Committee on Supplies and participation in the work of the C.C.A.C. itself when supply questions are under consideration.

2. The State Department welcomed our proposals and hoped that they would be able soon to reply by accepting them.

Mitchell added however that there might be some difficulty over the C.C.A.C. membership. At first the United States Army objected to this as they felt it would lead to similar requests from other Governments. I pointed out that this was absurd as no other Governments had made any offer to share in military relief. Mitchell said the State Department appreciated this and the Secretary of State had sent a letter to the Secretary for War supporting our position. However, a subsequent discussion with General Hilldring seemed to indicate that the United States Army might attach the same kind of qualification to our membership on the C.C.A.C. Sub-Committee as we had ourselves attached to our membership on the Full Committee. I told Mitchell that it would be most unfortunate if this were done as I did not see how the Canadian Government could possibly accept any such qualification. After all we were offering to pay for eight percent of military supplies and that entitled us to full membership and not qualified membership on the Sub-Committee which recommended policies in respect of such supplies.

I hope you will approve of the strong line I took with Mitchell on this point.

[11] Voir le document 1041.
See Document 1041.

3. I told Mitchell also that we had received yesterday from the United Kingdom information on methods for dividing the cost of military relief among the three countries and that I would be securing your views shortly thereon. I asked him if the illustrations given in the United Kingdom telegram as to how these methods would work meant that the United States had agreed to bear sixty-two percent of the cost and the United Kingdom thirty percent. He said that this was not (repeat not) the case and these percentages were taken merely as an example and did not represent any agreement. He himself thought they were fair enough but the United States army authorities still favour a division of the cost of military relief supplies by which the country supplying the goods finances them or makes its own arrangements for such financing. I told Mitchell that this principle would certainly receive no support in Canada. It would leave us holding a very big bag.

4. I asked Mitchell what the United States proposed to do in respect of Lend-Lease supplies from the United States sold by the United Kingdom for military relief to paying countries. He replied that the proceeds of such sales would not be credited to the United States under military relief arrangements but that they might be credited to the United States as part of the general settlement which they hoped to make with the United Kingdom covering Lend-Lease goods transferred in this and other ways.

This is a precedent which we ourselves might follow in respect of Canadian Mutual Aid goods turned over to paying countries by the United Kingdom for military relief.

5. Mitchell hopes to have a reply ready to my note to Acheson by the end of this week or early next week. I think we should decide what we should do in case that reply is unsatisfactory in respect of membership on the C.C.A.C. Sub-Committee. I personally think we ought to stand firm here and refuse to accept any compromise put forward by the United States Army. Ends.

1044. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-2852 Ottawa, July 6, 1944

IMMEDIATE. Your WA-4029 July 5, Military relief supplies.

I approve of the strong position taken in your conversation with Mitchell set forth in paragraphs two and three of your teletype.

We will decide what to do in case reply to your note to Acheson is unsatisfactory regarding membership in the C.C.A.C. Sub-Committee.

1045. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, August 3, 1944

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MILITARY RELIEF; FINANCIAL PROVISION

21. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that agreement in principle had now been reached with the U.S. State Department along the lines approved by the War Committee on May 17th.

Under this arrangement, Canada would pay a share of the financial net cost of military relief and would receive representation on the Supplies Committee of the Combined Civil Affairs Committee. Canada would have to provide for the financing of military relief orders and a larger sum would have to be provided for this purpose than would ultimately be required for Canada's liability under the agreement. In other words, the expenditure we were making at this time would later be offset by substantial receipts.

As an immediate measure, a draft submission to Treasury Board to provide $5 million had been circulated to the Minister of National Defence and to the Minister of Munitions and Supply. A further submission would shortly be required but it was urgent that this amount should be provided forthwith.

(Letter, External Affairs to the Ministers and attached draft submission to Treasury Board, July 27, 1944).†

22. THE WAR COMMITTEE, after discussion, approved the arrangements described by the Under-Secretary and the immediate provision for this purpose of $5 million from the War Appropriation.

...

1046. DEA/2295-AH-40

Minute d'une réunion du Conseil du Trésor

Minute of a Meeting of Treasury Board

P.C. 14/6467 Ottawa, August 17, 1944

EXTERNAL AFFAIRS
NATIONAL DEFENCE
MUNITIONS AND SUPPLY

The Board recommend that authority be granted for expenditures in an amount not exceeding $5,000,000 in connection with the Canadian participation in the cost of relief during the military period in Europe, chargeable to the Allotment from the War Appropriation for Army Services, the expenditures to

be made by the Mutual Aid Board under arrangements satisfactory to the Department of National Defence.

A. D. P. HEENEY
Clerk of the Privy Council

1047. DEA/2295-AH-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs.

TELETYPE WA-5325 Washington, September 12, 1944

IMMEDIATE. I have just received the following message on military relief from the State Department, Begins:

My Dear Mr. Pearson,

In your memorandum of June 2nd, 1944,[12] and your letter of June 17th, 1944,† you expressed the desire of your Government to participate with the British Government and with this Government in bearing a part of the ultimate cost of military relief in Europe. You suggested tentatively that the amount of Canada's participation might be of the order of 8 per cent and added that participation was conditioned upon Canadian representation on the Supplies Committee of the Combined Civil Affairs Committee and the presence of the Canadian representatives in the Combined Civil Affairs Committee itself when relief questions are under discussion.

I am happy to inform you that this Government accepts your suggestion of an 8 per cent participation by Canada in the ultimate cost of military relief. The War Department also welcomes such participation and agrees that your military should be represented on the Supplies Committee of the Combined Civil Affairs Committee. I, therefore, suggest that you request your military people here to get in touch with the Combined Civil Affairs Committee and arrange the details of your representation.

Sincerely yours,

DEAN ACHESON

2. I may have one or two comments to send you on this later on in the day. Ends.

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[12] Voir le document 1041.
See Document 1041.

1048. DEA/2295-AH-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2579 London, September 27, 1944

My telegram No. 1581 of June 27th financing of military relief.

Communication received from Dominions Office under date September 25th† refers to a letter dated September 11th from Acheson to Pearson[11] regarding Canadian membership of the Supply Committee of the Combined Civil Affairs Committee and the Canadian contribution to the ultimate cost of military relief in Europe. The Dominions Office makes the following comment, Begins:

I need hardly say that we for our part will be very happy to see Canada represented upon the Sub-Committee, and we are very glad that the discussions in Washington have resulted in a mutually satisfactory solution.

1049. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET Ottawa, October 5, 1944

...

MILITARY RELIEF; CANADIAN FINANCIAL PARTICIPATION

29. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted a memorandum recommending that approval be given to an Exchange of Notes with the U.K. and U.S. governments providing for payment by Canada of a proportion of the final cost of military relief in Western Europe, on the understanding that Canada would be represented on the Supplies Committee of the Combined Civil Affairs Committee.

This arrangement had been worked out with the governments concerned on the basis of the decision taken by the War Committee at the meeting of May 17th last.

Both the United States and the United Kingdom were agreeable and the result would be to apportion financial responsibility, 67% to the United States, 25% to the United Kingdom and the remaining 8% to Canada. This division represented the approximate relationship between the forces serving in the European theatre. An explanatory memorandum had been circulated.

(External Affairs memorandum, Oct. 3, 1944—C.W.C. document 875).†

[11]Voir le document précédent.
See preceding document.

30. THE WAR COMMITTEE, after discussion, approved the recommendation submitted.

...

1050. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 2317 Washington, October 7, 1944

SECRET

Sir,

I have the honour to refer to my teletype no. 5711 of October 4th† and my despatch no. 2232 of Sept. 26th† concerning the financing of military relief.

2. On October 3rd a meeting was held at the State Department, attended by representatives of the State Department, the U.K. Treasury Delegation, the U.K. Embassy and an officer of this Embassy, to discuss two draft notes introduced by the United Kingdom. The remainder of this despatch consists of an informal report on this meeting and on subsequent conversations with the U.K. and U.S. officials concerned.

3. At the beginning of the meeting the U.K. representatives put forward for consideration a note which they were proposing to pass to the State Department in a form which would be acceptable to the U.S. authorities concerned and to the Canadian authorities.

4. There was a considerable amount of discussion on the note and a number of changes were made including particularly the insertion of a paragraph providing for consultation among the three Governments on outstanding claims to determine whether or not such claims should be maintained against the Government or Authority concerned, and other changes to make it clear that the "irrecoverable amounts" included not only losses due to non-payment but also operational losses resulting from imperfections in pricing etc.

5. It was noted that as of the time of this meeting the 8% responsibility which Canada assumed in the note represented a hypothetical figure and that it would have to be reviewed and confirmed by the Canadian authorities before it could be used as a firm percentage in such a note. At this point there was some further discussion of the basis on which the division of responsibility between the U.S. and U.K. had been determined. From this discussion and subsequent conversations it would seem that the 25-67 division had been worked out in the following fashion (see the copy of paper S.L.T./W./44/83† for the basic figures on which the calculation was made);

Total Supplies considered in the calculations (Plan A[14] + Italy, omitting "additional items" of "doubtful availability" and "unallocated" to the amount of $121,400,000.)	$642,830,000
U.S. Share	
(a) initial procurement responsibility	$411,380,000
(b) Lend-Lease element in U.K. initial procurement responsibility	$29,530,000
	$440,910,000

This is an underestimate as it excludes the element of identifiable lend-lease which will be directly credited to the U.S. If this element were to be included, the U.S. share in procurement would be considerably higher than 68.5%. However as the U.K. is prepared to take responsibility for 25% of the ultimate cost the U.S. share might be estimated at 67%, assuming that Canada accepts responsibility for 8% of the ultimate cost.

Percentagewise the U.S. share is about 68.5% say 67% (in order to bring the U.K percentage out to 25%, presumably).

Percentagewise the balance is, therefore,	33%
If Canada assumes responsibility for	8%
The responsibility of the U.K. would then be	25%

As is apparent this calculation is a very rough one and is justified not for the reason that the data used necessarily provide a good basis for allocating ultimate financial responsibility but rather for the reason that these particular calculations yield percentages which can probably be established on other grounds as fairly representative of the relative financial strength of the U.S. and U.K. In fact before any such calculations were made it was known that the U.K. felt unable to assume more than 25% of the ultimate cost. There was some discussion of the payments made by recipient countries to allied troops occupying or liberating those countries in relation to the payments which those same countries would be expected to make for the military relief which they receive. On this point there seems to be some difference of opinion between the U.S. and U.K. particularly with reference to payments by Italy, where the U.S. appears to be willing to offset soldiers pay (provided by the Italians) against payments due from the Italians for relief. It was recognized that the problem involved in relating these two kinds of payments will be different in the case of liberated Allied countries than it will in the case of ex-enemy countries. It is clear that these problems will have to be given more consideration and

[14]Estimation des secours requis assumant l'écroulement de la résistance de l'ennemi et sa retraite sans recours à la politique de la terre brûlée. Voir James A. Stillwell, «Supplies for Liberated Areas,» dans États-Unis, *Department of State Bulletin*, vol. 10, 20 mai 1944, pp. 469-77.
Estimate of relief needs based on assumption of enemy collapse and withdrawal without the implementation of a scorched earth policy. See James A. Stillwell, "Supplies for Liberated Areas," in United States, *Department of State Bulletin*, Vol. 10, May 20, 1944, pp. 469-77.

agreement will have to be reached but it is not thought that the consideration of this draft U.K. note is affected by these ancillary problems.

6. The U.K. representatives agreed to delay the submission of this note formally to the State Department until the interested U.S. and U.K. authorities should have an opportunity to consider the draft and to comment on it.

7. The U.K. representatives then introduced a draft note on the methods of calculation which the U.K. proposes to use in determining the magnitude of the lend-lease element in supplies furnished by the U.K. for relief during the military period. One of the U.K. representatives indicated that this note referred only to the unidentifiable lend-lease element in such supplies, as identifiable lend-lease goods would be credited automatically to the U.S. It was indicated that the Supplies for Liberated Areas Committee (SLAO) [sic] and Middle East Liaison (MEAL) are keeping detailed records of identifiable lend-lease items provided and the appropriate re-transfers will be made in the U.S.-U.K. accounts. The U.K. representatives were unable to decide what arrangements would be made for cases in which the U.K. provided from her own sources materials which were similar to those received by the U.K. under lend-lease.

8. The draft note suggests that the lend-lease elements in supplies of food procured by the U.K. should be estimated by taking the percentages of lend-lease foods in total U.K. supplies of various categories of food in the year 1943-44 and applying these percentages to the total for each category of food in the U.K. and Middle East stockpiles. On textiles and agricultural machinery it was found even more difficult to estimate the lend-lease element but the U.K. Board of Trade considers that the lend-lease element in these items may reasonably be written off as insignificant.

9. It might be noted that the State Dept. representatives questioned the advisability of determining on such a percentage basis the credit to be transferred to the U.S. They expressed the tentative view that if military relief supplies were to be drawn from say a $100,000 stockpile in which the lend-lease element amounted to $35,000 the U.S. might wish to be credited not with 35% of the receipts from such withdrawals but with 100% of the receipts up to the $35,000 represented by lend-lease goods in the stockpile. This view was not pressed in the discussion as it was recognized that much more consideration would have to be given to the whole note before anything like a firm view could be expressed on particular points.

10. This draft U.K. note was presented on this occasion merely for consideration, and as the subject is one of considerable complexity it is anticipated that there will have to be much more discussion before a formal arrangement is agreed upon by the U.S. and U.K. After the meeting the principal U.K. representative indicated that no similar calculations had been made for the Canadian Mutual Aid element in such U.K. supplies. He anticipated that this problem would be subject of discussion between the U.K. and Canada shortly.

11. Two copies of each of the two draft notes in the form in which they emerged from the discussion are attached.†

I have etc.

M. M. MAHONEY

For the Ambassador

1051. DEA/2295-AH-40

Le ministre, ambassade aux États-Unis, au président, le Comité composé des affaires civiles, les chefs d'état-major composés des États-Unis

Minister, Embassy in United States, to Chairman, Combined Civil Affairs Committee, Combined Chiefs of Staff in United States

Washington, October 10, 1944

Dear Mr. McCloy,

With reference to your letter of September 30† on Canadian participation in the work of the Combined Civil Affairs Committee, steps are now being taken to formalize an arrangement by which the Canadian Government accepts financial responsibility for 8% of the net cost of military relief in the European theatre of operations.

One condition governing the acceptance of this financial responsibility was that Canada should become a member of the Supply Sub-Committee and participate in the meetings of the Combined Civil Affairs Committee itself when supply matters in which Canada has an interest are under consideration. I am glad, therefore, to note from your letter that this condition is acceptable to your committee.

The Canadian representative on the Supply Sub-Committee will be Colonel W. C. Beamer, a member of the Canadian Joint Staff Mission in Washington. Steps are being taken to notify the Combined Secretariat of the Sub-Committee of this appointment.

Yours sincerely,

L. B. PEARSON

1052. DEA/6973-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6270 Washington, November 3, 1944

IMMEDIATE. The following invitation to associate ourselves with the Combined Liberated Areas Committee has just been received:

"My dear Mr. Ambassador:

There has recently been established in Washington a Combined United Kingdom-United States Liberated Areas Committee of which I am Chairman. The Committee has the following terms of reference:

'To provide a forum for the exchange of views on problems arising in liberated and conquered territories in which the two Governments have a mutual interest as a result of combined military, supply, shipping or financial responsibilities and which are outside the scope of the Combined Chiefs of Staff.'

This Committee has a Sub-Committee to handle certain questions of supply and procedure arising from requirements programs and supply operations which are outside the scope of the Combined Civil Affairs Committee.

The Combined Liberated Areas Committee, which has held several meetings, considers that in view of her position as a supplying nation it would be desirable that Canada should be associated with these arrangements. I am therefore writing to you to convey an invitation to the Canadian Government to appoint representatives to serve as members of the operating Sub-Committee and to attend meetings of the Combined Liberated Areas Committee itself when questions of concern to Canada are under consideration.

If the Canadian Government will accept this invitation I will see that notices of meetings, agenda and relevant papers of the Combined Liberated Areas Committee are circulated to you regularly in order that you may have an opportunity of indicating the subjects for discussion on the Combined Liberated Areas Committee in which you consider Canadian interests are involved. Sincerely yours, Dean Acheson."

I should think this invitation is along the lines which you have previously declared would be acceptable. I would be grateful, therefore, if you would confirm that I can reply to it in that sense. Consideration should be given to our membership on the Supplies Sub-Committee and I shall have some suggestions to make in this regard shortly.

1053. DEA/6973-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4469 Ottawa, November 4, 1944

IMMEDIATE. Your WA-6270 of November 3rd, Combined Liberated Areas Committee. This is to authorize you to accept the invitation conveyed in Dean Acheson's note for the Canadian Government to appoint representatives to serve as members of the Operating Sub-Committee and to attend meetings of the Combined Liberated Areas Committee itself when questions of concern to Canada are under consideration. It is noted that Canada will have an opportunity of indicating the subjects in which Canadian interests are involved.

I should be glad to receive your suggestions concerning membership on the Supplies Committee.

1054. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6401 Washington, November 10, 1944

SECRET. Following for Angus from Pearson, Begins: As your EX-4218 of October 17th† would indicate that External Affairs and this Embassy are now recognized as the channel for transmission of policy instructions from Ottawa to the Canadian member of the C.C.A.C. (S), we have been asked by Colonel Beamer to request general instructions on the policy which he is to follow. You will appreciate the desirability of providing some such general policy advice at this stage in view of the fact that the only suggestion of any general policy so far has appeared in recent Minutes of the Mutual Aid Board indicating the desirability of securing all possible orders for supplies from Canada. Are such discussions at meetings of the Mutual Aid Board to be regarded by Colonel Beamer as statements of policy in the absence of any confirmatory instruction from External Affairs. If we are to work through the C.C.A.C. (S) to secure as much business as possible for Canada, presumably we should be given some general idea of the categories of business desired as it is apparent that there are numerous categories in which Canada would not be desirous of participating because of Canadian supply difficulties or preference for other outlets for such Canadian supplies as are available. Ends.

1055. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4550 Ottawa, Nov. 11, 1944

SECRET. Following for Pearson from Angus, Begins: Your WA-6401 of November 10.

I am going to reply to this in detail later when I have consulted Mr. Pierce. In the meantime, I may say that I agree that the instructions for Colonel Beamer should be put in a more formal form. Discussion and correspondence here have considerably modified the crude statement that it is desirable to secure all possible orders for supplies from Canada. All that has been meant is that we should treat sales to the military relief authorities as the equivalent of ordinary exports, subject to qualifications:

(i) We may on humanitarian or military grounds be ready to accept export orders which we should not otherwise accept in view of the domestic supply situation;

(ii) Where these considerations do not obtain, there are some commercial markets which are preferable to the military relief market, either because we are supplying old customers or because we are developing markets which have potentialities. It is agreed, I think, that we should not attempt to obtain a footing in such markets by selling commodities in short supply at a time when our possible competitors are supplying their exportable surplus of these commodities for relief purposes.

It has been assumed that Colonel Beamer would consult with Scott on matters of commercial policy with a view to finding out through him from the Department of Trade and Commerce what categories of business Canada is desirous of developing.

I am sending this interim reply because it may be some days before I can send anything more explicit. Ends.[15]

[15] Aucune autre communication ne fut trouvée.
No further communication was located.

1056. DEA/6973-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4556 Ottawa, November 11, 1944

Following for Pearson from Angus, Begins: Your WA-6391 of November 9th,[†] Canadian membership on C.L.A.C. (S). Approval is given to the suggestions contained in your teletype that the Canadian member on this Sub-Committee should be Stanley Allen with Ritchie as his alternate and that Colonel Sale from Colonel Beamer's office should also attend as liaison officer from the Canadian side of the C.C.A.C. (S).

It is also agreed that you should attend the meetings of the full Committee, at any rate until the character of the discussions there becomes sufficiently clear for some definitive recommendation to be made as to Canadian membership. Ends.

1057. DF/Vol. 3405

L'attaché financier, l'ambassade aux États-Unis,
au ministre, l'ambassade aux États-Unis

Financial Attaché, Embassy in United States,
to Minister, Embassy in United States

Ottawa, December 1, 1944

Dear Mike [Pearson],

I told you that I would be discussing the financing of military relief while in Ottawa, and yesterday Dr. Clark called a meeting in his office for that purpose. Dr. Angus and Mr. Bryce were also present.

I urged all possible speed in sending to Washington instructions, as requested in Despatch No. 2654,[†] relating to the United States proposals for compiling relief bills (C.C.A.C. 141/1).[†] I stressed the distinction between (a) the procedure for compiling and presenting aggregate bills, as set forth in detail in C.C.A.C. 141/1, and (b) the steps necessary to decide on the proportions in which the bills should be payable to the three supplying Governments.

In regard to (a), I said that the Canadians in Washington were of the opinion that the proposed procedures were probably unduly cumbersome. However, the United States War Department was insisting on clearing up (a) before passing on to (b) or, indeed, before presenting Notes to the Allied Governments requesting payment. The United States military had assured us that the procedures they were proposing were not going to entail delays in billing because most of the necessary information was already being collected. I, therefore, suggested that it would be better for Canada to accept the

procedures as laid down, and to follow them if necessary in a somewhat rough and ready fashion, than to urge simplifications at this date.

I explained that we in Washington (particularly Colonel Beamer) had discovered some technical ambiguities in the War Department document. These were essentially concerned with problems of averaging prices and problems of timing in respect of the applications of average prices to quantities of goods supplied. However, I thought that these matters could probably be effectively clarified in Washington, and need not delay the general approval of Document C.C.A.C. 141/1, for which we were hoping.

Before passing on to a consideration of (b)—the proportions in which bills would be payable—I raised the question whether it was desirable that the civilian authorities should communicate their decision regarding these proportions to SCAEF, who would then insert the appropriate proportions on each bill, or whether, as suggested in C.C.A.C. 141/1, it was desirable for the civilian authorities to communicate their decisions to the Governments of the liberated territories separately from the bills. I explained that the British rather favoured the separate communication of proportions because this communication might be delayed pending clarification of the proper proportions as time went on. On the other hand, this procedure was obviously clumsy, and would largely defeat the purpose of prompt presentation of bills. It appeared that the United States were not committed to the separate approach, and if Ottawa had any strong views they should be communicated to Washington.

We then passed to a discussion of the problems attaching to the determination of proportions, the final settlement of accounts, and the interim financing involved. I suggested that it might prove useful to set up a committee in Ottawa to look into these matters but the feeling of the others present was contrary.

Dr. Clark and the others expressed a number of apprehensions which I think we should do well to keep in mind pending our receipt of more formal communications from Ottawa relating to them:

1. The recipient Governments may, in the final event, refuse outright to make any reimbursement, claiming perhaps that the supplies were distributed without reference to themselves and before they were allowed to exercise any jurisdiction in their territories.

2. The recipient Governments may pay U.S.A. and possibly U.K. if these countries are in a position to exert sufficient economic or political pressure, but may be very delinquent in payments to Canada. (This would have been avoided if all payments could have been made to a central pool).

3. Estimates of the immediate and ultimate burden of military relief seem to have grown alarmingly since last summer.

4. Canada is likely to supply goods substantially in excess of 8 per cent of the total, and is therefore likely (i) to bear an unduly large part of the financing of supplies and (ii) to be in the position of trying to collect ultimately from the United Staes and United Kingdom, which may prove a protracted or even an impossible procedure.

In regard to (4) above, Dr. Clark at first suggested that Canada should keep down its own purchases of supplies to the 8%, and should request the United Kingdom and more particularly the United States to purchase all additional supplies when Canada was designated as a source. He said he felt sure the United States would not want Canada to be financing a part of their financial share of military relief.

However, Mr. Bryce suggested that, if the supplies were to come from Canada, the domestic financial burden would be the same whether Canada financed the supplies themselves or the sterling or United States dollars put up by one of the other countries purchased the supplies. Moreover, he and Dr. Angus pointed out that we initially became involved in military relief precisely because United States and United Kingdom refused to buy in Canada for this purpose. Moreover, it was the apparent intention, both of our discussions last summer and of our agreement with United States and United Kingdom, that each country should finance the supplies obtained from it. Therefore it would be difficult to make an approach along the line indicated.

Mr. Bryce then suggested that we should ask the other two countries for a firm commitment that they would ultimately reimburse us so that our final outlay would be only 8 per cent of the net loss. Dr. Clark did not like this idea of a final commitment, preferring current purchases in Canada by the other two countries. However, it was suggested that the U.S.A., at least, would probably be unable to give the firm commitment (despite the fact that its reasonableness can scarcely be questioned), and that the U.S.A. might, as an alternative, be willing to make some purchases in Canada. I said that now we were committed to contribute 8 per cent, the U.S.A. would probably find it easier to make purchases in Canada than when we were not contributing anything.

Would you please send the enclosed copy of this letter to Colonel Beamer; I am sending copies to Dr. Clark, Mr. Bryce and Mr. Angus.

Yours sincerely,

A. F. WYNNE PLUMPTRE

1058. DEA/2295-AH-40

L'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au ministre, l'ambassade aux États-Unis

Special Wartime Assistant to Under-Secretary of State for External Affairs to Minister, Embassy in United States

Ottawa, December 1, 1944

Dear Mike [Pearson],

Plumptre has asked me to add my comments to his letter of December 1st, concerning the meeting held in Dr. Clark's office to discuss the financing of military relief. The present stage of the correspondence on this subject is that

the Department of External Affairs is awaiting a reply from the Department of Finance dealing with the United States proposals for compiling relief bills.

The proposals in question concern the preliminary procedures and, although these procedures appear to be extremely cumbersome, the fact that they are satisfactory to the United States War Department would go a long way in disposing us to accept them rather than to prolong a discussion that stands in the way of a clear agreement concerning military relief.

The principal difficulty is that these proposals, although in appearance confined to the preliminary stage of administering military relief, may have important implications for the second stage. They not unnaturally arouse apprehension lest the collection of payment from the debtor countries should be unduly postponed and even some apprehension as to whether the Canadian authorities can absolutely count on receiving their fair proportion of the receipts.

The latter point is of very great importance because of the magnitude of the Canadian contribution, assuming that Canada continues to finance all supplies originating from Canadian sources. You will remember that there is also outstanding a request that Canada should finance all supplies originating from Newfoundland.

The reaction of Dr. Clark was that we should confine our supplies to eight per cent of the total supplies, thus limiting our maximum financing to $80,000,000, even in the event of the plan reaching its theoretical limit of $1,000,000,000.

You will be fully alive to the difficulties which would arise if Canada were to adopt this position. Canada is bound to be a source of the great part of the physical supply for military relief and we should be put in the position of refusing to honour an allocation by the Combined Boards not because we were unable to supply the commodities in question but because we were unwilling to finance them, although we had formally agreed to do so.

If this position is to be avoided, the very least condition would appear to be that Canada should receive some commitment from both the United States and the United Kingdom that they would make a prompt financial adjustment, perhaps at intervals of six months or a year, so as to confine the net cost of the military relief to the agreed percentages. Canada would naturally be expected to make a similar agreement, but as Canada is a large supplier this action would be a mere formality. It would be of importance that the agreement should not merely cover ultimate payment but that it should be worded so as to avoid Canada being left to hold the bag for a prolonged period while an endeavour was made to collect payments from debtor countries which were unable to meet their obligations at once but which might ultimately become solvent.

An alternative would be that suggested by Plumptre, namely, that both the United Kingdom and the United States might purchase supplies in Canada for cash in order to reduce the initial financial burden falling on Canada so that it

would not exceed approximately eight per cent of the financial burden incurred by the three countries.

It is perhaps worth remembering as a third possibility that, if the payments from the debtor countries were made into a pool from which a distribution would be made from time to time, the difficulties caused by the procedures proposed by the War Department would not arise.

It has been my contention throughout that, if a water-tight system can be established by which prompt payment is assured to Canada in respect of the supplies originating in Canada, there is no reason why we should not offer supplies to military relief as freely as we offer exports to any hard-currency destination with, of course, the exception of providing for historic markets or pioneering new ones.

The practical, or perhaps I should say the psychological, effect of the recent correspondence has however been to disincline almost everyone to making large shipments on military relief account. The reason is that payment appears dubious. It is obvious enough that out of the agreement we have to pay eight per cent of the deficit, whoever the supplier might be, and that therefore the prospective cost is not augmented by sending supplies from Canada rather than from some alternative source. There is, however, as I have explained, apprehension lest the agreement should work slowly or even not work at all.

I understand that the instructions given to Beamer are that he is not to press supplies from Canada and that he is to confine them chiefly to agricultural products. I have been told, on the one hand, that these directions were given on grounds of supply and, on the other, that they are important on financial grounds. The latter seems to me the more probable explanation as I have just come from a meeting considering how paying countries or UNRRA could be induced to buy from Canada. It appears, therefore, that the result of the negotiations at this point has been to make military relief appear a very doubtful destination for Canadian supplies. You may wish to emphasize this point, if it is necessary to do so, in order to persuade the United States authorities, whether military or civil, that the procedures which they are proposing will have harmful consequences.

In order to give this letter the same circulation as Plumptre's, I am sending a copy to Dr. Clark and Mr. Bryce, and am enclosing a copy for Colonel Beamer and a copy for Mr. Plumptre.

Yours sincerely,

H. F. ANGUS

1059. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH 1737 Ottawa, December 5, 1944

Sir,

I have the honour to refer to your despatch No. 2654 of November 23rd† concerning the financing of military relief. The memorandum by the Director of the Civil Affairs Division in the United States War Department,† of which a copy was enclosed in the despatch, has been carefully considered by the Department of Finance and has been communicated to the other interested Departments here.

2. The billing procedure outlined in the memorandum appears in general satisfactory, although somewhat more cumbersome than had been expected. It is noted that the recipient Governments are to be notified of the proportions of each bill due to the United States, the United Kingdom and Canada respectively at the time at which the bill is rendered by SCAEF. There appears to be a suggestion that the proportions might be varied subsequently or that notification might be delayed in order to make the proportions outstanding at any one time conform to the shares of the net costs of military relief which the supplying countries have agreed to bear. It is desirable that this point should be made more precise and that adjustment should be made so that the proportion of the bills to be paid to each supplying country should be properly calculated so as to give effect to the agreement for sharing net costs. In order to do this, some account would have to be taken of the ability of recipient countries to pay promptly in order that no one supplying country should have more than its appropriate share of bad or doubtful accounts. Any excuse for delay in payment that might be given to the recipient countries would be most undesirable, partly because of the uncertainty to which it would lead and partly because the burden of financing the relief should not be made unduly onerous to the supplying countries. This latter point is of particular interest to Canada because Canada is likely to be called on to supply a fairly large portion of the relief and has agreed to finance it in the first instance.

3. I fully appreciate that it may in practice prove quite impossible to secure a modification of the billing procedure in the sense suggested in the preceding paragraph and that the delays incidental to any negotiations on this point may be so serious that it would be better not to raise these issues at all in connection with the billing. It is, therefore, suggested that you should, if you see no objection, discuss the whole question frankly with the State Department, pointing out the difficulties which Canada has encountered and enquiring if any arrangement can be made to meet them.

4. The State Department might be reminded that when Canada offered to pay eight per cent of the net cost of military relief, it was anticipated that the

magnitude of military relief would not be so great as it appears likely to be today. They might be reminded that what was contemplated was the initial financing incidental to procurement and not the financing over a long period of time of charges which could be more appropriately borne by the two other supplying countries because, while Canada's share in the physical supplies to be financed is likely to be large, Canada's share of the net cost is to be small.

5. It might then be suggested that the Canadian expectation had been that some pooling arrangement would be adopted so that the actual payments from the recipient countries could be distributed promptly to the supplying countries, taking account of the financial burdens which those countries had incurred. The advantage of a pooling arrangement is that bad or doubtful debts would not be assigned to any one country and that the inconvenience incidental to delay would, like the net cost of the scheme, be distributed among the supplying countries in the agreed proportions. You might, therefore, enquire whether it would not be possible to have the bills paid in the first instance in United States dollars to a pool or suspense account which need not be held by the military authorities but might be held by some civilian agency - perhaps by an agency of the United States Government which is to be the largest contributor to the net cost of the plan. When the proper division of these pooled receipts was determined, they could then be paid to whichever of the three supplying countries was entitled to them.

6. If the arrangement outlined in the preceding paragraph were adopted no difficulty need arise if the United Kingdom wished to be paid in sterling or Canada in Canadian dollars. The United Kingdom or Canada, as the case might be, would receive United States dollars from the pool but would offer these for sale to the recipient country in exchange for sterling or Canadian dollars respectively.

7. This pooling device would have the advantage of combining prompt payment by the recipients with an equitable division of payments among the recipients and the need for subsequent adjustments among the three recipient countries would be reduced to a minimum. It would also have the advantage that the recipient countries would pay on a combined basis to all three supplying countries and there would be no question of the recipient paying, for instance, the United States and not paying Canada. It appears to us that this method of pooling receipts could be combined with the billing procedure outlined in document C.C.A.C. 141/1 of November 12th.

8. You should make it clear to the State Department that Canada, acting under the proposed plan as it was understood here, has proceeded to make provision for the financing of those orders which must be placed immediately. In order to do so, an allocation of $5,000,000 was made by the Treasury Board to enable the Department of National Defence to finance the initial orders. It was expected at the time that this payment would suffice to cover the interval during which a final agreement could be concluded on the subject of military relief. It has, however, been necessary to allot a further sum of $40,000,000 to cover supplies which are said to be urgently needed. The financial commitment which Canada has already made is, therefore, substantially in excess of the

maximum net cost which Canada would bear under the agreement as it has been outlined to us. This maximum would be eight per cent of $400,000,000 or $32,000,000. It is, of course, understood that in the first instance Canada must expect to make a financial outlay in excess of the net cost which Canada will actually have to bear and that Canada cannot reasonably draw a hard and fast line at $32,000,000 or any other figure and say that this is all that Canada has undertaken to provide. It is, however, as has already been pointed out, a matter of serious concern if Canada is to be called on for a very large financial outlay greatly exceeding eight per cent of the total of the goods to be supplied unless procedures are adopted for reimbursing Canada upon which reliance can be placed not only as regards ultimate payment but also as regards prompt payment. The billing and accounting procedure is so involved and so many different parties are concerned in the arrangement that it is feared that there may be a considerable length of time before any proceeds can be expected and a not inconsiderable risk of the procedures themselves being ineffective in bringing the Canadian share of the net costs to the agreed proportion of eight per cent.

9. It should be explained to the State Department that it would be very difficult to persuade Treasury Board to make any further allocations for the procurement of military supplies in Canada unless the Canadian Government can show that it has some assurance from the United States and the United Kingdom that, if the proceeds from the recipient Governments are not sufficient to reduce the net costs to the agreed shares, the United States or the United Kingdom will be prepared to settle the remainder of the necessary adjustment by direct payments. The Canadian Government, for its part, would be prepared to give a similar undertaking for the sake of uniformity. It is, however, possible that no such undertaking may be desired as it is almost certain that the Canadian share of the physical supplies will be of such a character that Canadian receipts under the plan are not likely to be excessive.

10. If the United States Government is unable or unwilling to give an undertaking of the character described in the preceding paragraph, then I think that you should request the State Department to agree to procure and pay for any supplies required from Canada over and above eight per cent of the total supplies provided by the three countries together. In other words, if there are constitutional or political barriers to the United States ensuring Canada against an unreasonable proportion of the risks, the United States Government should itself assume those risks. If the United States Government is unwilling to give us an undertaking to make a financial adjustment with Canada from time to time in order to protect Canada against bearing a disproportionate share of the financial risk, it will simply mean that the procurement of additional relief supplies in Canada would have to be undertaken by the United States rather than by the Canadian Government.

11. It has been assumed in the preceding paragraphs that the United Kingdom will be willing to furnish a guarantee. Purchases by the United Kingdom in Canada will, of course, raise new difficulties because of the difficulty of payment.

12. It has been assumed that Canada, in making provision to finance $45,000,000 worth of relief supplies, has made provision for more then eight per cent of the total relief supplies for which arrangements have been made by the three supplying countries taken together. It would be useful to have precise information on this point in order to make our arguments more effective and it would be appreciated if you can obtain any information as to the magnitude of the commitments already undertaken by the United States and the United Kingdom for the procurement of military relief supplies and the value of supplies already transferred from military stores for relief purposes.

13. You may inform the State Department and the military authorities concerned that there is no objection on financial grounds to Canada becoming responsible for the procurement of supplies in Newfoundland for military relief but that this procurement, like further procurement in Canada, itself must be subject to a satisfactory agreement being reached on the lines indicated earlier in this despatch.

14. In paragraph 5 of your despatch reference is made to the need for an agreement between the United Kingdom and Canada covering Mutual Aid supplies which may be transferred by the United Kingdom to military relief account. Careful consideration is being given to this matter which is only one of a number of similar problems connected with Mutual Aid supplies. It is probable that in the case of shipments of supplies which can be definitely identified as having been transferred to the United Kingdom under Mutual Aid, these supplies will be charged by Canada to the Military Relief appropriation rather than to Mutual Aid. It would be considerably more difficult to deal with unidentifiable Mutual Aid content of supplies provided directly by the United Kingdom and our proposals on this point have not yet taken shape. What has been said is no more than a probability as action in this matter will have to be approved by the Mutual Aid Board and possibly by the Government itself.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1060. DEA/2295-AH-40

Minute d'une réunion du Conseil du Trésor

Minute of Meeting of Treasury Board

P.C. 16/9151 Ottawa, December 6, 1944

EXTERNAL AFFAIRS
MUNITIONS AND SUPPLY
NATIONAL DEFENCE

The Board had under consideration a memorandum from the Right Honourable the Secretary of State for External Affairs concurred in by the

Honourable the Minister of Munitions and Supply and the Honourable the Minister of National Defence reporting:

"That the Cabinet War Committee on October 5th gave approval to an Exchange of Notes with the Governments of the United States and the United Kingdom, providing for the payment by Canada of eight per cent of the final cost of military relief in Western Europe on the understanding that Canada will be represented on the Supplies Committee of the Combined Civil Affairs Committee. The Cabinet War Committee agreed that the detailed procedure for carrying out this arrangement should be left to the officials of the three Governments;

That the Canadian Embassy in Washington reports that negotiations are proceeding with the other two Governments concerned with respect to the details of the proposed Agreement but that it is clear that all three Governments are prepared to conclude an Agreement that is, in substance, on the lines approved by the Cabinet War Committee;

That under the proposed Agreement Canada will be reponsible for the financing in Canada of all orders that may be placed here;

That the Canadian Embassy reports that it is clear from all the formal and informal discussions that the United States and the United Kingdom are agreed that payment in full shall be requested of all Governments or authorities of liberated or conquered areas to which supplies are furnished and that the firm intention of the United States and the United Kingdom is to render bills monthly, if possible, or quarterly if monthly billing is not feasible. The time which would elapse between the billing and the remittance of payment by the recipient Government will depend primarily upon negotiations between the recipient Government and the supplying Governments concerned;

That the Agreement contemplates a limit to the prospective deficit to be incurred, without the Agreement being brought up for re-negotiation, at the sum of $400,000,000, Canada's share of which would amount to $32,000,000. Similarly, the total to be financed by the three Governments without the negotiation of a new Agreement would be limited to $1,000,000,000. It is, of course, impossible to say that the supplies which Canada would be required to finance initially would be limited to eight per cent of this sum or $80,000,000, since the placing of orders in Canada will depend on the availablilty of supplies;

That on August 17th, 1944, Treasury Board recommended that authority be granted for expenditures in an amount not exceeding $5,000,000 in connection with the Canadian participation in the cost of relief during the military period in Europe, chargeable to the Allotment from the War Appropriation for Army Services, the expenditures to be made by the Mutual Aid Board under arrangements satisfactory to the Department of National Defence;

That further important urgent orders are pending which cannot be placed in Canada until further financial provision is made.

It is, therefore, recommended that Treasury Board should make provision for these further expenditures in an amount not to exceed $40,000,000,

chargeable to the War Appropriation for Army Services, and that the expenditure be made by the Mutual Aid Board in financing orders placed on account of military relief."

The Board concur in the above report and recommendation, and submit the same for favourable consideration.

A. D. P. HEENEY
Clerk of the Privy Council

1061. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6885 Washington, December 11, 1944

IMMEDIATE. SECRET. Following for Angus from Pearson, Begins: Our despatch No. 2317 of October 7th and teletype WA-5853 of October 12th† concerning the draft United Kingdom note on the arrangements for providing relief on a combined basis outside UNRRA.

2. In my immediately following teletype, WA-6886, I am reproducing the text of the note in the form which the State Department has now indicated would be acceptable to the United States Government.

3. This note is in two sections.

4. Section A consists of the original draft United Kingdom note with one change. In subparagraph II of the second paragraph, the State Department would insert the words "unless other arrangements are mutually agreed upon". This provision is intended to take care of the possibility that the United States may wish to offer its share of the supplies on a Lend-Lease basis in certain cases without requesting full payment. As indicated in paragraph 6 of our despatch No. 2773 of December 9th[16] on the financing of wheat supplies for Greece, this provision would also make it possible for the expenses incurred in the provision of such supplies to be shared among the three Governments without the necessity of going through the formality of requesting payment from the Greek Government, if the three participating Governments should mutually agree to refrain from requesting such payment. The requirement that any arrangement to forego full payment must be mutually agreed among the three supplying Governments would seem to prevent any abuse of this provision.

5. Section B presents the United States Government's counter proposal to the original United Kingdom proposal for the treatment of the Lend-Lease element in relief supplies provided by the United Kingdom. You will note that the categories A, B, C in paragraph 2 and A & B in paragraph 3 have not yet been defined. The United Kingdom representatives here are suggesting to London

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[16]Document 1260.

that the categories in Section 2 might appropriately be confined to foodstuffs in which the Lend-Lease element is significant, as indicated in the original United Kingdom draft and they are asking London whether sugar should now be added to the foodstuffs listed if the date of March 11, 1941, rather than the later date mentioned in the original draft is to be taken as the starting point. The United Kingdom representatives expect to exclude textiles and other Lend-Lease supplies which did not constitute a significant part of total supplies during the period. They anticipate some difficulty in having trucks excluded and they are not completely confident that the discussions here have convinced the United States authorities that no credit should be transferred to the United States for relief supplies provided by the United Kingdom which though not received under Lend-Lease are, nevertheless, similar to and substitutable for supplies received under Lend-Lease. It appears from discussions over the week-end that the United Kingdom Government may regard a number of features in this counter proposal as repugnant to the general arrangements which have been made with the United States Government by the Keynes Mission for the continuation of Lend-Lease.[17] Although the initial reactions of the United Kingdom representatives to this United States counter proposal were quite favourable, they are now inclined to think that a considerable amount of discussion will be required before the method of handling the Lend-Lease element can be worked out to the satisfaction of the United Kingdom Government in the light of the general arrangements which have been made for continuing Lend-Lease.

6. In referring this note to London, the United Kingdom Embassy suggested that the time had now come for the presentation of a similar note to the Canadian Government, probably through the Canadian High Commissioner in London. The United Kingdom Embassy's telegram pointed out that, while the essence of Section A in the present draft note should be retained in the note for presentation to the Canadian Government, a new Section B covering the Mutual Aid element would have to be worked out with the Canadian Government in Ottawa or with the High Commissioner's office in London. Presumably you will be hearing from the United Kingdom Government to this effect if preliminary discussions have not been initiated already.

7. To complete the formal exchanges among the United States, United Kingdom and Canada, it will be necessary for us to present to the United States Government a note along the lines of Section A in the present note.

8. We are examining this note in the light of your despatch No. 1737 of December 5th and will report to you on the results of our examination and of our further discussions with the United States and United Kingdom representatives on the subject. Ends.

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[17]Voir États-Unis, *Foreign Relations of the United States*, 1944, volume III, Washington, U.S. Goverment Printing Office, 1965, pp. 70-83.
See United States, *Foreign Relations of the United States*, 1944, Volume III, Washington, U.S. Government Printing Office, 1965, pp. 70-83.

1062. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6886 Washington, December 11, 1944

IMMEDIATE. SECRET. Following for Angus from Pearson, Begins: My immediately preceding teletype, WA-6885.

SECTION 'A'

Begins:

H.B.M. Embassy refers to its aide-mémoire of June 8th† and to the State Department's aide-mémoire in reply of the same date[18] regarding the sharing of the burden of the cost of provision of civilian supplies on a combined basis to liberated and conquered areas outside their own territories, in so far as the burden does not fall on the UNRRA. H.B.M. Embassy also refers to the memorandum of the Canadian Embassy of June 2nd on the same subject,[19] a copy of which was furnished to this Embassy.

In the light of the proposals which have since been considered by the U.S. Government, the Canadian Government and H.M. Government in the United Kingdom, it is recommended that the ultimate burden of the cost of provision of such supplies should be borne in the following manner:

(I) That the U.S., U.K., and Canadian Governments shall agree on the provision of the supplies required up to a value not exceeding $1 billion;

(II) That, unless other arrangements are mutually agreed upon, payment in full shall be requested of all Governments or authorities of liberated or conquered areas to which such supplies are furnished.

(III) That such amounts as prove to be irrecoverable from such Governments or authorities shall be borne by the supplying Governments in the following proportions:

By the U.S.—67% of such irrecoverable amount.

By the U.K.—25% of such irrecoverable amount.

By Canada—8% of such irrecoverable amount.

(IV) That receipts collected from the recipient Governments or authorities shall be divided as may be necessary in order that the ultimate deficit be shared in the proportion set out in (III) above.

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[18]Voir États-Unis, *Foreign Relations of the United States*, 1944, volume II, Washington, U.S. Government Printing Office, 1965, pp. 312-4.
See United States, *Foreign Relations of the United States*, 1944, Volume II, Washington, U.S. Government Printing Office, 1965, pp. 312-4.

[19]Voir le document 1041.
See Document 1041.

(V) That the three Governments shall consult together from time to time in order to decide whether a claim shall be maintained against any Government or authority which at any time indicates its inability to meet any request for payment.

(VI) That if at any time it shall appear that the total irrecoverable deficit amounts or is likely to amount to 400 million dollars, the three Governments concerned shall consult together in order to consider whether civilian supplies can continue to be provided under this arrangement. Ends.

SECTION 'B'

Begins:

Counter proposal to the proposal of the British for the treatment of Lend-Lease articles in Plan A shipments from U.K. stocks.

1. All goods of identifiable Lend-Lease origin shall be treated as goods procured by the U.S. for Plan A, and the U.S. shall receive credit therefor.

2. In the case of goods unidentifiable as of Lend-Lease origin, the U.S. shall receive credit for a share of the particular goods drawn from U.K. stocks equal to the ratio which the Lend-Lease portion of the total supply of goods in any category, which have become available to the U.K. from March 11th, 1941, to the end of the calendar semester preceding the transaction, bears to such total supply. All goods drawn from U.K. stocks of goods falling into the following categories, and only such goods, shall be considered as unidentifiable as of Lend-Lease origin:

(a)

(b)

(c)

(To be determined by agreement between the two Governments)

Other categories may be added to this list and any of those listed may be dropped by mutual agreement.

3. The following are the categories of goods to which this proposal shall not apply by reason of the fact that significant amounts of such items have not been provided to the U.K. on Lend-Lease:

(a)

(b)

(To be determined by agreement between the two Governments)

Other categories may be added to this list and any of those listed may be dropped by mutual agreement.

4. All credits made to the U.S. in accordance with the provisions stated above shall be received by the U.S. as a benefit under Article VI of the preliminary Mutual Aid Agreement of February 23rd, 1942,[20] and the provisions of Article

[20]Voir États-Unis, *Department of State Bulletin*, vol. 6, 28 février 1942, pp. 190-2.
See United States, *Department of State Bulletin*, Vol. 6, February 28, 1942, pp. 190-2.

V of that Agreement shall be considered fulfilled in respect to like quantities of materials obtained by the U.K. on Lend-Lease terms. Ends.

1063. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-7023 Washington, December 16, 1944

IMMEDIATE. SECRET. Following for Angus from Pearson, Begins: Your despatch No. 1737 of December 5th and teletype EX-4929 of December 14th,' financing of relief provided on a combined basis outside UNRRA.

2. It seems to us that one alteration in the general financial arrangement set forth in Section A of our teletype WA-6886 of December 11th might make this agreement acceptable to us, viz: That paragraph IV be altered to read "That receipts collected from the recipient Governments or authorities shall be paid into a central fund under the control of the three supplying Governments and that payments out of this fund shall be divided as may be necessary in order that the ultimate deficit shall be shared in the proportions set out in III above."

3. Our proposal would be that we should informally approach the appropriate U.S. and U.K. authorities in Washington with the suggestion that the above amendment be adopted. At the same time we would explain to them along the lines of despatch No. 1737 that owing to the growth of the relief burden and delays in agreement as to how it should be financed, it would be necessary for Canada for the time being to limit procurement responsibility to something like $80,000,000.

4. We are not clear whether the limit of $80,000,000 which you propose for our procurement responsibility includes the value of equipment provided to the U.K. under Mutual Aid and subsequently made available for relief purposes outside UNRRA and credited to Canada.

5. Similarly we are not certain that the $80,000,000 limit includes the value of wheat supplied to Greece after a date to be determined, as we understand that a good part of this wheat is to be financed initially under the Order-in-Council providing for the gift of wheat to Greece[21] although ultimately it is to be included in the general financial agreement covering the provision of relief outside UNRRA.

6. Although you might well make provision in your agreement with the U.K. for subsequent discussion of the arrangements for handling the Mutual Aid element we feel that the actual discussion of this problem should not be permitted to delay completion of the general agreement.

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[21] Décret en Conseil P.C. 92/4430 du 27 mai 1942. Non reproduit.
Order in Council P.C. 92/4430 of May 27, 1942. Not printed.

7. Please advise us immediately whether the procedure outlined in paragraphs 2 and 3 above is satisfactory and clarify the points raised in paragraphs 4 and 5 above. Ends.

1064. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4982 Ottawa, December 19, 1944

IMMEDIATE. SECRET. Following for Pearson from Angus, Begins: Your WA-7023 of December 16th, financing of military relief.

Our object is to protect ourselves on two points: (1) we wish to be sure that we are amply protected against having to pay more than eight per cent of the ultimate cost; (2) we wish to avoid undertaking initial financing in excess of eight per cent of the initial financing undertaken by the three countries in the aggregate.

2. The modification suggested in paragraph 2 of your teletype covers the first of these conditions. It virtually substitutes a pooling agreement for separate bills and it may be difficult to get the other two countries to agree to a principle which thus conflicts with the procedure for recovery proposed by the United States War Department. If the division of the central fund were made at relatively short intervals, the effect of this plan would be to keep down Canada's share of the initial financing because if Canada had been undertaking a major portion of this financing Canada would presumably receive a major portion of the dividends from the fund.

3. The procedure proposed in paragraph 3 of your teletype seems free from any objection but I do not think that we should give to the figure of $80,000,000 the prominence which is suggested. If any effective method is devised for equalizing the initial financing by the three countries in the sense of keeping the proportions of that financing in the same ratio as the proportions of the ultimate loss, the extreme limit of Canada's initial financial commitment would be $80,000,000. It would, however, be doubtful if this limit would ever be reached in practice because the division of the central fund would reimburse Canada from time to time for outlays which had been made and Canada's out-of-pocket commitment during the operation of the scheme would fall somewhere between $32,000,000, which would be our share of the anticipated loss, and $80,000,000, which would be our share of the loss if no recoveries whatever were made from the recipient countries. We should, therefore, ask the other two countries to share in the initial financing so that no one country would ever be contributing proportionately much more than another. The methods suggested for doing this were that the receipts should be divided at intervals; that, if necessary, direct payments should be made between the participating countries, or that procurement in Canada should be financed by

purchases made by the United States if Canada's share of the financing were exceeding 8/67 of the expenditure made by the United States on account of the procurement of supplies.

4. The explanation given in the preceding paragraph should greatly reduce the importance of the points raised in paragraphs 4 and 5 of your teletype. In principle, we should count as part of the Canadian contribution and as part of our original financing any Mutual Aid goods made available by the United Kingdom under our Agreement with them, whatever form it may take. In the same way, we should count the value of the wheat supplied to Greece. But these would be charged against our original financing only if suitable arrangements had been made to credit us with Mutual Aid goods in the first instance or to transfer the cost of the wheat supplied to Greece in the second. Even if full account were taken of these items, it would not be likely, if the arrangements were working smoothly, that our total commitment would ever approach closely to $80,000,000. If, however, there were delays in distributing the central fund of such a character that our financing here exceeded $80,000,000 at a time when we had a recognized claim to a share in the central fund which had been collected, there is no reason to suppose that any great difficulty would arise.

5. We agree with the point in paragraph 6 of your teletype that your discussions in Washington should not be delayed by waiting for the solution of the problem of Mutual Aid goods which will be discussed separately with the United Kingdom.

6. While the use which you propose to make of the theoretical limit of $80,000,000 might simplify your discussions in the first instance, I do not think it will do so ultimately because the question would arise as to how supplies were to be procured in Canada or in Newfoundland when the limit of $80,000,000 had been reached. It is quite possible that substantial purchases of wheat and other commodities might lead to this limit being reached relatively early. It is largely for this reason that it seems to us better to take up in your discussions the possible methods of keeping the initial financing in proportions roughly resembling those in which the ultimate loss is to be shared. Ends.

1065. DEA/2295-AH-40

Le ministre aux États-Unis au sous-secrétaire d'État aux Affaires extérieures

Minister in United States to Under-Secretary of State for External Affairs

Washington, December 19, 1944

Dear Mr. Robertson,

With reference to my teletype No. 7001 of December 15th† on the meeting of the Combined Civil Affairs Committee, I am enclosing herewith the agenda of that meeting with the attached papers.† I have been warned that these papers are not to be circulated and I am therefore sending them to you on that

understanding. I believe, however, that most of the information contained therein will have reached you by telegram from London.

As I indicated in my teletype, the meeting on Friday (at which, by the way, we were welcomed by the chairman, Mr. McLoy) disclosed considerable differences between the U.K. and the U.S. members on the three matters on the agenda. These might be discussed item by item.

On the Italian situation, the British attitude is that the military authorities must remain responsible for relief supplies for the whole of Italy as long as there is fighting in any part of Italy or as long as it is used as a basis [*sic*] of operations. General Hilldring, speaking for the Americans, however, emphasized that the U.S. Army view was that military responsibility for relief should be given up area by area as this becomes operationally possible. This might be, he admitted, administratively difficult but not insuperably so. He also stated that their instructions were categorical that the bread ration in Italy should be increased even if this meant using the existing stockpile, thereby creating difficulties later when Northern Italy was liberated. As you know, instructions on this matter have been received from the President himself. Though the U.K. feel that the policy in question is unsound and may cause trouble later, nevertheless they realize it is useless to argue against it now.

We were asked to comment on this item of the agenda and took advantage of the opportunity to explain the Canadian position re participation in military relief. I said that, in principle, we hoped that military relief would be limited both in scope and in time but that since we had agreed tentatively to accept a partial financial responsibility for military relief, we found that the interpretation of what was military relief had been broadened and that this rather worried us. I also emphasized that we had nothing to do with the financing of any programme of industrial first aid for Italy or any other kind of aid outside military relief or UNRRA.

In respect of Item 2—Supplies for Civilian Population—Norway, the Americans were worried about the action taken by the British in this matter because they thought it might constitute a precedent. If the Anglo-American authorities accept responsibility for the relief of civilian populations liberated in this area by the Russian Army, they might be asked to accept similar responsibility elsewhere.

The British argued that something had to be done and done quickly. Otherwise the Norwegians would have starved. The Americans then produced a proposal that the transaction might be legitimized by turning it *ex post facto* over to UNRRA. This somewhat surprising solution seemed to receive general approval but, as I pointed out, UNRRA may have something to say about this later.

In respect of Item 3, Greece—the Americans made no effort to conceal their determination not to take any action which might be interpreted as assisting the British in their present difficulties with the Greeks.[22] Unfortunately for the

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[22]Voir les documents 338 et 340 à 347.
See Documents 338 and 340 to 347.

British, the telegram from Allied Forces Headquarters in Italy, (Annex 'B')' by going into much detail about the financial reasons for the action taken, gave the Americans the excuse to argue that this action was not primarily determined by military considerations and that, therefore, they were not concerned with it. This was really a very illogical position to take, as a reading of the telegram in question will show, but it was stubbornly held by General Hilldring. However, he finally agreed to reconsider the matter.

Yours sincerely,

L. B. PEARSON

1066. DEA/2295-BH-40

Le sous-secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Under-Secretary of State for External Affairs to Minister in United States

Ottawa, December 23, 1944

Dear Mr. Pearson,

Your letter of December 19th, concerning the meeting of the Combined Civil Affairs Committee which was held on December 15th, has been discussed with Mr. Wrong and Mr. Angus. The questions raised in it are closely related to the matters which have been discussed in connection with military relief and with the visit of Mr. Richard Law to Washington. We should, I think, endeavour to concentrate our attention on broad questions and to avoid creating the difficulties which may arise from dealing in the first instance with individual cases.

The first broad principle seems to me to be that Canadian representation on CCAC(S) and on CLAC(S) is primarily for supply purposes, and that while we may express opinions informally on related political issues we should not engage the Canadian Government, either directly or indirectly to definite views of these issues.

The second general principle is that in supply matters the onus of showing that precedence should be given to political considerations lies with the country which advocates a course of action likely to entail starvation and hardship.

Turning to the particular issue, the Italian problem consists in comparing the immediate evil of short rations in liberated Italy with the contingent evil of starvation in northern Italy should it be liberated when stocks have been depleted. My view on this point is that the existing stocks should not be depleted unless a decision has been reached as to what will be done when northern Italy is liberated. It would, however, be necessary to have much more information than is available here to form an opinion of the extent of the risk involved in depleting stocks at the present time.

As regards Norway, we consider that it is essential that supplies should be sent as expeditiously as possible, and the British plan appears to us to be the

only one designed to accomplish this purpose. It would in my opinion be very unfortunate if an attempt were made later to turn over the transaction to UNRRA by a sort of fiction that UNRRA had acted in the first instance. Not only would the UNRRA officials naturally resent a course of action which left the performance of their work to others while spending their funds, but the prestige of UNRRA would suffer very greatly if the United Kingdom and the United States, perhaps with the help of Canada, undertook to explain at the next meeting of the Council that they had had to take action directly because they could not trust UNRRA to perform the task for which it was created.

It is easy to understand the difficulties which have arisen in connection with the allocation of food for Greece. I am inclined to think that the United States representatives will have to reconsider their position because whatever view may be taken of the recent occurrences in Greece it would be totally irresponsible to prolong starvation and inflation which are the conditions which are most likely to turn political disputes into violent disorders and at the same time to attach full responsibility to the authorities on the spot, who have to deal with the disorders when they occur. My view on this question is that supplies should be made available as expeditiously as possible and that should political safeguards be required they should be sought by some method less likely to accentuate human suffering than the withholding of supplies.

I am afraid that I have done little more than point out very obvious considerations affecting the questions which came before the CCAC. My only excuse for doing so is that I feel there is some danger of the obvious considerations being overlooked in dealing with immediate problems which involve extremely difficult matters of detail and which are apt to excite emotional as well as rational responses.

Yours sincerely,

N. A. ROBERTSON

1067. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-7156 Washington, December 23, 1944

Following for Angus from Plumptre, Begins: Your EX-4982,[23] financing military relief.

Thank you for clarifying the two points on which protection is required. We shall, of course, try to achieve both objectives. However, we suggested in WA-7023[24] a rather different procedure from that envisaged in your despatch No.

[23]Document 1064.
[24]Document 1063.

1737[25] and we still believe that there is some merit in our approach. Please forgive us if we burden your Yuletide with an elaboration of our reasons.

2. We think it very important to recognize that the Canadian position is different in regard to the two objectives and that they should therefore be approached somewhat differently. The Canadian position differs, we believe, in the following ways:

(A) Our claim to an absolute guarantee against paying more than 8 per cent of the ultimate cost is unchallengeable; our claim that we wish to avoid more than 8 per cent of the interim financing is by no means unchallengeable, particularly because the memorandum which we handed to State Department, following your instructions in despatch No. 791 of May 29th, unequivocally specified that "Canada would make provision for financing any orders that may be placed in Canada for military relief."

(B) We have had no experience of any difficulties which might be involved in getting a guarantee against paying more than our ultimate share; we have had experience of the difficulties involved in the most obvious method of transferring some of the burden of interim financing, i.e., the placing of orders in Canada by United States of America and United Kingdom. You will recall that these difficulties were partially responsible for raising the whole question of Canada's participation in military relief. Of course, the fact that Canada is now sharing in the ultimate cost would no doubt make the difficulties less than they were originally, but we cannot now claim to be unaware of them.

(C) Insistence on an ultimate guarantee can be made impartially to the United States of America and United Kingdom, a claim for relief from the burden of interim financing must be directed (and this seems to be envisaged by your EX-4982 paragraph 3) solely to the United States of America.

(D) Ultimate guarantees should be given by each participant to the other two; but it is clearly impracticable to suggest at this stage in the negotiations that each of the three partners should only undertake its percentage of the interim financing. All the arrangements so far have been based on the assumption that each will do its own domestic financing as set forth in our memorandum to the State Department quoted above; it would probably be quite impracticable for the United States and the United Kingdom to make any other arrangement. Therefore, any request on our part to be relieved of some of the burden we have undertaken must be on a special rather than a general basis.

(E) In addition to the foregoing differences which are significant from a Washington viewpoint, it appears to us that there may be another difference of considerable significance from the Ottawa viewpoint. Are we not right in believing that it is considerably more important to obtain an ultimate guarantee than to minimize interim financing? If we were unable to obtain the absolute guarantee, then of course there would be an overwhelming case for minimizing interim financing; but if the former can be obtained, surely the latter is of considerably less importance. I recall an observation by Mr. Bryce,

[25] Document 1059.

in our last meeting in Dr. Clark's office, indicating that the aggregate burden on the Treasury was measured by the supplies actually procured in Canada, not merely by the amount directly financed, because the residue would require financing through foreign exchange. Of course, a bird in the hand in the form of United States dollars may be worth rather more than a bird in the bush even when guaranteed by the United States and United Kingdom, and it may be considerably easier to obtain funds for financing purchases of foreign exchange than for financing military relief even though the Government is committed to the latter; nevertheless, I should have thought that the ultimate guarantee was still a more important objective from Ottawa's point of view than minimizing financing.

3. In view of all these considerations (and we would not press (E) above, because it lies outside our direct concern) we believe that it is desirable to make the ultimate guarantees our primary objective in approaching the United States and United Kingdom. Indeed we feel that, if minimizing financing was given equal importance, our hope of achieving the primary objective would be diminished because our ground is so much stronger in approaching the one than the other. If we failed to reach the primary objective, which we have every right to demand, then we would, of course, be on very strong ground in demanding the other; for if we do not receive an absolute guarantee against ultimate loss we are most certainly entitled to decline to bear more than our share of the risk which would then be involved in interim financing.

4. We gladly concur in the suggestion made in paragraph 3 of your EX-4982 that we should not emphasize the limit of $80,000,000. On further consideration we believe that a realistic approach to the problem of minimizing interim financing does not lie along the line of specifying an absolute limit and then, perhaps, threatening the United States and United Kingdom with it; rather it lies along the line of tapering off our acceptance of procurement responsibilities, becoming more and more "choosy" about the types of business that we are willing to accept. Colonel Beamer would have to be guided from Ottawa as to how to pursue such a qualitative policy, and he would no doubt need to be guided also by some ultimate quantitative limit, whether in the form of a percentage of the whole or a sum of money.

5. Another approach to minimizing interim financing may lie in requesting the United States to take over the purchase of a few large items, rather than in asking them to assume responsibility for all purchases beyond a certain limit, or for a certain proportion of current purchases. These are points, however, which can only be clarified by informal friendly discussion, and we hope you will be willing to permit us a fairly wide discretion in the matter.

6. In conclusion, we would appreciate your concurrence in our suggestion that the ultimate guarantee should be our primary objective, and that we should pursue the minimizing of interim financing as a secondary objective, at least until there were signs that we were failing to achieve the former. We would also appreciate your concurrence in the text of the proposed general financial arrangement, amended along the lines of paragraph 2 of our WA-7023, if we can prevail upon the United States and United Kingdom to accept this

amendment; it is of the greatest importance, if we are to minimize our ultimate losses, not to delay the necessary steps precedent to billing the recipient Governments.

7. This message has been discussed with Colonel Beamer and Ritchie. Ends.

1068. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-5079 Ottawa, December 26, 1944

Following for Plumptre from Angus, Begins: I shall discuss with Bryce your teletype WA-7156 of December 23rd when he returns on the 28th. In the meantime I should be glad to have your opinion on the following points:

(1) I agree that our claim to an absolute guarantee against paying more than 8 per cent of the ultimate cost is unchallengeable. I agree that insistence can be made impartially to the United States and to the United Kingdom but the claim is so unchallengeable that insistence should be quite unnecessary. What we would seek is not what we have already got, namely, a guarantee for ultimate repayment but some assurance of prompt repayment and, if the repayment is sufficiently prompt, it would itself take care of a good deal of the interim financing, since Canada, as the main supplier, would be entitled to receive the early payments which would keep down its out-of-pocket expenses.

(2) For the foregoing reasons I think that if you make your main objective insistence on a guarantee of prompt repayment, with the emphasis on promptitude, it will naturally lead the way to suggesting that, if a method of collection is adopted which is likely to involve delays and uncertainties, it should be coupled with action designed to relieve us of a burden of interim financing altogether beyond anything which was anticipated when the original arrangement was made.

(3) You will recall that Dr. Clark's objection was to financing the United States and, therefore, even a hard and fast guarantee of ultimate repayment by the United States would still be open to objection from his standpoint.

(4) It would also follow, as you point out, that, if for constitutional or political reasons the United States cannot give a hard and fast guarantee designating clearly the form which payment will take, there is an irresistibly strong case for relieving Canada of the burden and risk of interim financing.

(5) I do not like the proposal in paragraph 4 of your teletype that we should reject certain types of business, presumably on supply grounds. This might be difficult to do if we were financing similar supplies to UNRRA subject to reallocation by the Combined Boards. It would be impossible if the supplies asked for came from Newfoundland which offered assurances that the physical supply was available. A further objection to reluctance to supply on these

grounds is that it may prejudice the whole object of the scheme by making it difficult for needy countries to secure the physical goods which they require. I think that we could indicate the great undesirability of a course of this sort in frank discussion with the State Department without appearing to threaten them in any way and I think we could make something of the very great difficulty of approaching the Canadian Treasury Board with a request for a further advance until a clear agreement has been reached of a satisfactory character.

(6) I shall reply to paragraph 6 of your teletype after discussion with the Department of Finance and I hope that by the time that discussion takes place I shall have the benefit of your comments on the points advanced in the present teletype. Ends.

1069. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-7202 Washington, December 28, 1944

Following for H. F. Angus from A. F. W. Plumptre, Begins: Your EX-5079, December 26th, financing military relief.

1. I agree that promptness of repayment has received inadequate attention in my WA-7156, and perhaps in our thinking down here; you may rest assured that this will be remedied.

2. In regard to the guarantee of ultimate repayment, I find myself agreeing with your earlier statement (EX-4982) that this is one of the cardinal points on which we need protection, rather than with your new statement (EX-5079) that we should not seek "what we have already got". As you know, no dotted line has yet been signed upon; and I feel that Dr. Clark and others are right in their apprehension that our position has become less secure during the past few months because of a number of developments, e.g.,

(a) Delays in making the initial formal approach to paying Governments,

(b) Further delays in billing which are likely to arise from complications in billing procedures,

(c) Apparent inability of United States of America to make direct ultimate settlements,

(d) Proposed introduction of roundabout procedures, which would use the paying countries as channels for ultimate settlements.

3. I well recall Dr. Clark's objection to our interim financing referred solely to the portion involving the United States; but I also recall that you and Bryce pointed out immediately the fact that we were already committed to such financing in principle. As indicated in my WA-7156, I believe we may be able to find ways and means of minimizing such financing; but, in seeking some

relief, it will not endear us to the United States and United Kingdom if we begin by repudiating our commitment.

4. I agree with some of the objections, raised in your paragraph 5, to the proposal that we should reject certain types of business. However, I was not suggesting that rejection should be on grounds of supply; rather it should be (if it is necessary at all) on the perfectly valid grounds of finance which, at least until we have an absolute ultimate guarantee, simply means that we will not shoulder more than our fair share of the burden of military relief. A regrettable but necessary result of such a situation would be that needy countries might obtain less supplies. Further, if some limitation of supplies from Canada is necessary on such grounds, surely you would agree that the limitation should be gradual, and qualitative, as opposed to the only alternative: viz., that Canada should continue to supply "all out," until some specified limit was reached, after which we would presumably cease to supply at all (and perhaps abandon membership in CCAC-S and CLAC-S).

5. In view of your request for comments before discussions with Bryce, I am sending this off without clearance from Beamer or Ritchie. Ends.

1070. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-45 Ottawa, January 4, 1945

Following for Pearson and Plumptre from Angus, Begins: Your WA-7202 of December 28th, financing of military relief.

1. This whole question has now been thoroughly discussed with the Department of Finance which shares your view that the essential thing is to get an unqualified guarantee for prompt repayment from the United States and the United Kingdom. Canada would no doubt give a similar guarantee to those two countries in order to keep the agreement reciprocal in form. I have emphasized in discussion that if we begin by asking for this unqualified guarantee of ultimate repayment, we make it correspondingly difficult to demur to fulfilling our own undertaking with respect to primary financing and I have pointed out that the amount of this primary financing is likely to be very substantial.

2. If the type of pooling agreement suggested in paragraph 2 of WA-7023 of December 16th can be arranged, it would be very likely to work in such a way as to make it unnecessary for either the United States or the United Kingdom actually to pay on its guarantee to Canada and it might work so as to keep our maximum out-of-pocket commitment below, say, $100,000,000.

3. It would seem to be desirable to find some formula for the guarantee which would avoid the danger of very long delays while it was ascertained how much could be collected from the various paying countries. If this were not done, the

date for payment under guarantee might be almost indefinitely postponed. Of course, no final settlement can be reached until all the information is available but interim payments could be made from time to time so that each country was out of pocket in the agreed proportions. If any further receipts came in, they would then be distributed in these proportions.

4. In addition to the reasons set out in paragraph 2 of WA-7202 of December 28th, there is one other which you might conceivably find it convenient to use. Our original offer was made before D-Day at a time when the military relief which was contemplated was incidental to the operation of armies of which the Canadian Forces were part. We thought of it at first as applying only to those areas in Europe in which our armies were operating and were a little surprised that Greece should be included. No one anticipated that the initial financing would amount to anything in the neighbourhood of $150,000,000 on the part of Canada, although it now seems possible that this amount may be exceeded. Our interim appropriation to cover the period of negotiations was, you will remember, $5,000,000. Our insistence on a precise commitment for prompt repayment can be explained in part by the increase in the magnitude of the plan. Ends.

1071. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-148 Washington, January 10, 1945

IMMEDIATE. SECRET. Following for Angus, Begins: Financing Military Relief.

1. At our suggestion a meeting was held at the State Department on January 9th at which Plumptre, Beamer and Ritchie submitted informally a draft aide-mémoire on the Canadian position and a revised draft version of the proposed note which we had sent to you as Section 'A' of our WA-6886 of December 11th. Representatives of the Foreign Office, State Department and United States and United Kingdom Treasuries were present.

2. The draft aide-mémoire was prepared here on the basis of instructions provided by you, particularly in the original despatch No. 791 of May 29th, subsequent despatch No. 1737 of December 5th, 1944, and your teletype EX-45 of January 4th, 1945. The revisions in the draft note of agreement were similarly based on the general instructions received from you in these and other messages. In introducing these papers informally for consideration at the meeting it was made clear that while the sense of these documents was known to be in line with the Canadian Government's position we could not confirm the exact language of the papers before the meeting. We indicated that we were most anxious that the United States and United Kingdom representatives should consider as a matter of urgency the changes which would be necessary in these draft papers, particularly in the draft note of agreement, in order to

make them acceptable to their Governments as the basis for a formal exchange of notes. The text of the draft aide-mémoire is given in a following teletype identified as "Message A" and of the draft note of agreement in a following teletype identified as "Message B".

3. The attitude of the meeting was generally sympathetic to the problem which we raised and to the solution which we proposed. There was a general recognition that it was a common problem which should be settled immediately in the interests of all three participating Governments. The discussion indicated that the United States and United Kingdom were making very slow progress and it was evident that our proposals were welcomed not only as informal statements of our view but as helpful contributions to the United States-United Kingdom discussions as well.

4. Our specific proposal of a pooling arrangement was considered sympathetically but the general view was that a considerable amount of discussion would have to precede any formal agreement on such a pool and it was felt that as this was largely a question of procedure if the firm guarantees stipulated in paragraph V of Message B are given, no specific reference need be made to the pool in the general agreement with the understanding that the omission of such a specific reference did not preclude the possibility that a pooling arrangement might be adopted eventually as the best procedure for minimizing the burden of temporary financing and for maximizing ultimate receipts. The United States and United Kingdom sides agreed that the principle set forth in our paragraph V providing guarantees against excessive losses by any of the three supplying Governments was implicit in the agreement which they had previously approved in draft form. The United States side expressed confidence that our paragraph V would be acceptable to the United States Government and the United Kingdom representatives undertook to refer our precise proposal urgently to London as they had no definite instructions from London as to the exact nature of the guarantee. We intimated to the United States and United Kingdom representatives that we had reason to believe that the Canadian Government would be prepared to consider favourably as the basis for an immediate agreement the draft note in Message B, even with the omission of the underlined words in paragraph IV[26] and with the ommission of the phrase "into the pool" from paragraph V, if the omission of the specific references to the pool will facilitate immediate completion of the general agreement and will not prejudice subsequent consideration of the pooling arrangement. We felt that we were within our instructions if we succeeded in getting immediately the ultimate guarantee, which you indicated as your minimum requirement in teletype EX-45 and in paragraph 9 of despatch No. 1737, while leaving the question of the pool open. The United States and United Kingdom representatives undertook to provide us in the shortest possible time with their reactions to our aide-mémoire and with the text of a draft note which would be acceptable to them and which would take account of the revisions which we had proposed and of the argument presented in our

[26] Aucune copie du message B avec des mots soulignés dans le paragraphe IV ne fut trouvée.
No copy of Message B with underlined words in paragraph IV was located.

aide-mémoire and in the discussion. We are confident that a reply will be received very shortly.

5. It should be said that the United States and United Kingdom officials concerned had previously rejected the pooling proposal when it had arisen in their discussions before we came into the picture and it is reported by Beamer and Ritchie that only the persuasive exposition by Plumptre of a hypothetical pooling arrangement induced them to admit that the pool might be not only a feasible but also an attractive procedure meriting at least reconsideration. Plumptre made it clear that the views which he was expressing as to the possible nature of such a pooling arrangement were purely personal and were intended merely to provide a concrete example of how such a pool might be formed and might operate. Plumptre's notes on this subject are being sent to you in a following teletype identified as "Message C." Plumptre will be in Ottawa for a week following January 11th and will probably wish to discuss possible pooling arrangements. Upon his return to Washington Plumptre will be discussing this subject with the appropriate United States and United Kingdom officials.

6. We would not suggest that you should make a parallel approach to the United Kingdom Government through the High Commissioner's office in London but in view of the difficulty which is being encountered by the United Kingdom representatives here in getting any replies from the United Kingdom Treasury, we feel that it might be helpful if you were to advise the High Commissioner's office that proposals have been presented by this Embassy to the United Kingdom Treasury delegation in Washington for urgent consideration and that they might impress upon the United Kingdom Treasury the urgency that we attach to the completion of the agreement.

7. We should be grateful if you would confirm or revise the text of the informal papers which we have handed to the United States and United Kingdom representatives and if at the same time you would provide us with any further instructions.

8. I should add that the United States and United Kingdom representatives are being asked for the information requested in paragraph 12 of your despatch 1737, and we shall forward this information to you as soon as it is received.

9. It would be appreciated if you would pass copies of this and the following messages to the Ministry of Finance immediately for their information as Plumptre may have an opportunity to discuss the subject with them while he is in Ottawa. Ends.

1072. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-160 Washington, January 10, 1945

IMMEDIATE. SECRET. Reference WA-148, financing military relief. Message A, Begins: Draft Aide-Mémoire.

"On June 2nd, 1944, the Canadian Government indicated its willingness to participate in military relief by temporarily financing orders placed in Canada and by the sharing in the ultimate net cost in proportion to Canada's military participation in the liberation of Western Europe—a proportion estimated at about 8 per cent. At that time the total gross cost of such relief was estimated at a figure considerably lower than the limit of $1,000,000,000 now established. There appeared every likelihood that recoveries from the recipient Governments would be prompt and substantial. It could be reasonably anticipated in those circumstances that Canada's liability for temporary financing and for the ultimate net cost of providing such relief would be much less than now appears to be the case. This expansion in Canada's apparent obligations under the arrangement is attributable primarily to:

A. The substantial increases in the estimate of the total gross cost of supplies to be provided by the three countries under the arrangement.

B. The delay in establishing suitable procedures for securing current payment, with the result that the total cost of providing supplies has had to be carried by the supplying countries as a cumulative financial burden instead of being financed out of a much smaller revolving fund.

2. Added to these developments which have affected Canada's position adversely are the increasing uncertainty concerning the prospective volume of repayment from the recipient Governments, the absence of any machinery for determining when the initial limit on total losses is approached, and the continued lack of provision for ultimate settlement among the three supplying Governments. These factors are of particular concern to a country which is currently providing proportionately more of the supplies than its agreed percentage of the ultimate cost, for such a country is in effect bearing an undue share of the risks. It appears that substantially more than 8 per cent of the supplies are coming from Canada.

3. In these circumstances the Canadian authorities have been compelled to examine the arrangements for continuing the provision of such relief supplies. They are most anxious that agreement should be reached on the principles governing the detailed arrangements to be made, or in process of being made, for ensuring the agreed distribution of the residual burden upon termination of the agreement and insofar as possible an equitable distribution of the "current" burden during the operation of the agreement in order that the flow of supplies

may not be impeded or interrupted. Accordingly the United States and United Kingdom authorities are requested to consider as a matter of urgency the acceptability of the attached modified version of the draft statement of principles which it is thought would achieve this objective.

4. It is recognized that there are related matters of detail outstanding of only slightly less urgency; e.g., the completion and presentation of the notes to the recipient Governments and authorities, the institution of satisfactory billing and collecting procedures, and the determination by Canada and the United Kingdom of the policy for handling the mutual aid element. Although the urgency and importance of such matters may well be stressed, it is suggested that their settlement is not a prerequisite to the completion of the tripartite agreement on the general principles. The completion of the general agreement might in fact hasten the settlement of these other questions.

5. The attached draft differs significantly from the latest United States-United Kingdom draft in only two respects:

A. Sub-paragraph IV has been amended to provide for the establishment of a "pool" into which all receipts would be paid and out of which interim payment would be made from time to time to reduce the burden of temporary financing. The Canadian authorities attach great importance to the acceptance of this proposal. This arrangement has of course general advantages in facilitating final settlement among the three supplying countries. It would be particularly advantageous for any supplying country which has assumed a disproportionately large share of the financing and which at the same time might find itself in a less favourable position than the other countries for making collection. The pooling arrangement would ensure that bad or doubtful debts would not be assigned to any one country and that the inconvenience incidental to delay, would, like the net cost of the scheme, be distributed among the supplying countries in the agreed proportions.

The problems which might arise in connection with such a pooling arrangement (e.g., location and management of the pool, determination of the appropriate foreign exchange composition of the pool, etc.) do not seem to be insuperable. It is thought also that there would be no serious problem involved in associating such a pooling arrangement with the billing procedure proposed in CCAC 141/1.† The proposed pool has all the advantages but avoids many of the problems which have come to light in alternative procedures since the pooling plan was originally considered.

B. A new sub-paragraph V has been added to protect any of the supplying countries which had financed more than the agreed share of the net cost, in the event that receipts are inadequate to reimburse that country for the excess. The new sub-paragraph would provide for appropriate payments into the common pool by the other country (or countries) which had financed correspondingly less than the agreed share of the net cost. This would seem to be a necessary precaution because such a low proportion of total supplies may be provided to paying countries that receipts alone will be found inadequate for the final adjustments among the three supplying countries.

6. Concerning the other sections of the draft which have not been altered from the original version, it should be noted that the Canadian authorities are interpreting the phrase "provided on a combined basis" in the first paragraph and the sense of sub-paragraphs I and VII as limiting the scope of this proposed agreement to such supplies (up to a value not exceeding $1,000,000,000 with the proviso that this limit may not be reached if losses approach $400,000,000) as are approved (either currently or retroactively) by each and all of the three Governments and are provided to operational theatres in which the volume of participation by the military forces of each and all of the three countries is significant.

7. The Canadian authorities are hopeful that they will be able to undertake all the temporary financing involved by Canadian orders, despite the growth of the burden since their original offer was made. However, they do not feel that they can reasonably be expected to do so unless arrangements are made immediately which would unquestionably relieve them of the risk of a disproportionately large ultimate loss, and which would keep the burden of interim financing as low as reasonably possible." Ends.

1073. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-161 Washington, January 10, 1945

IMMEDIATE. SECRET. Reference WA-148, financing military relief. Message B, Begins: Draft Note of Agreement.

Reference is made to the aide-mémoire of June 8th from His Britannic Majesty's Embassy and to the State Department's aide-mémoire in reply of the same date[27] regarding the sharing of the burden of the cost of provision of civilian supplies on a combined basis to liberated and conquered areas outside their own territories, in so far as the burden does not fall on the UNRRA. Reference is made also to the Canadian Embassy's memorandum of June 2nd and explanatory letter of June 17th[28] and the State Department's reply of September 12th[29] on the same subject.

In the light of the proposals which have since been considered by the U.S. Government, the Canadian Government and H.M. Government in the United

[27] Voir États-Unis, *Foreign Relations of the United States*, 1944, volume II, Washington, U.S. Government Printing Office, 1967, pp. 312-4.
See United States, *Foreign Relations of the United States*, 1944, Volume II, Washington, U.S. Government Printing Office, 1967, pp. 312-4.

[28] Voir le document 1041.
See Document 1041.

[29] Voir le document 1047.
See Document 1047.

Kingdom, it is recommended that the ultimate burden of the cost of provision of such supplies should be borne in the following manner:

(I) That the United States, United Kingdom, and Canadian Governments shall agree on the provision of the supplies required up to a value not exceeding $1 billion;

(II) That, unless other arrangements are mutually agreed upon, payment in full shall be requested of all Governments or authorities of liberated or conquered areas to which such supplies are furnished.

(III) That such amounts as prove to be irrecoverable from such Governments or authorities shall be borne by the supplying Governments in the following proportions:

By the United States—67 per cent of such irrecoverable amount.

By the United Kingdom—25 per cent of such irrecoverable amount.

By Canada—8 per cent of such irrecoverable amount.

(IV) That receipts collected from the recipient Governments or authorities shall be paid into a central pool under the control of the three supplying Governments and that payments to the supplying Governments from this pool shall be made at frequent intervals and shall be divided as may be necessary in order that the ultimate deficit be shared in the proportion set out in (III) above.

(V) That each of the three supplying Governments shall make such payments into the pool as may be necessary to distribute the ultimate deficit in the agreed proportions.

(VI) That the three Governments shall consult together from time to time in order to decide whether a claim shall be maintained against any Government or authority which at any time indicates its inability to meet any request for payment.

(VII) That if at any time it shall appear that the total irrecoverable deficit amounts or is likely to amount to 400 million dollars, the three Governments concerned shall consult together in order to consider whether civilian supplies can continue to be provided under this arrangement. Ends.

1074. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-162 Washington, January 10, 1945

IMMEDIATE. SECRET. Reference WA-148, financing military relief. Message 'C' begins:

Some personal and informal notes on the proposed "pool" for collecting and distributing military relief.

1. The pool should be run by three trustees appointed by the Governments of the three supplying countries. These trustees might be the Central Banks or Treasuries.

2. All bills presented to recipient Governments should request payment in the form of (say) 85 per cent United States dollars and 15 per cent sterling.

3. If any recipient Government wished to pay up to 5 per cent of any obligation in Canadian dollars, and only 80 per cent in United States dollars, this should be permitted.

4. If, at the termination of the scheme, it appeared that United States and Canada had supplied a proportion less than 85 per cent of the goods and services, the recipient Governments which had paid United States dollars in amounts exceeding that proportion should be permitted to repurchase dollars for sterling pro rata.

5. If any recipient Government claimed that it could not pay 85 per cent of its obligations in dollars, as required in paragraphs 2 and 3 above, it should submit its case to the trustees. If satisfied, the trustees should make recommendation to the supplying Governments (a) to accept a larger proportion in sterling (or Canadian dollars), or (b) to accept part or all of the amount in some other currency, or (c) to waive part or all of the obligation.

6. This raises the question, what should be done with (a) the "excess" sterling and (b) the other currencies which may accrue to the "pool"? In answering this question four principles may prove helpful:

(a) It is desirable to collect as much as reasonably possible on account of military relief, even though some of the amounts received may be in currencies which are useful to one supplying Government and not to another; in other words, a recipient Government should not be released from all its obligations simply because it cannot pay some of them in a certain form.

(b) The "mixed bag" of currencies which will result may be more useful to one supplying country than to another, and this implies that it may prove impossible to share the ultimate net loss in any exact proportions such as 67:25:8. For instance, if the pool acquired a "surplus" of sterling under 5 (a) it might well prove to be a sensible policy to hand this over to the United Kingdom even though it might in a sense reduce the United Kingdom's share of the ultimate net loss below 25 per cent.

(c) It is important to distinguish, in this regard, between distributable funds to meet the net loss (accruing under paragraph 5). The former should be distributed strictly to share the net loss on a 67:25:8 basis; the latter should subsequently be distributed as seems most equitable when the problem arises.

(d) It must be assumed that the trustees of the pool will make sensible recommendations both in regard to accepting currencies under paragraph 5 and also in regard to disposing of them; experience at Bretton Woods and on other occasions suggests that this is a not unreasonable assumption where financial representatives of United States, United Kingdom and Canada are concerned with matters of foreign exchange.

7. Interim payments out of the "pool" to each supplying Government in its own currency should be made at frequent intervals so as to keep the burden of temporary financing at reasonably low levels. These payments should be adjusted by the trustees on the basis of (a) value of supplies coming from each supplying country and (b) estimates of the net loss to be sustained.

8. Each supplying country should be obliged to make payments into the pool if this was necessary in order to share the burden in a ratio of 67:25:8. A country wishing to minimize the likelihood of being called upon to make such payments would, of course, be well advised to accept no interim payments out of the "pool" but to treat it as a "suspense account." Ends.

1075. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 122 Ottawa, January 15, 1945

SECRET. Proposals have been presented by the Canadian Embassy in Washington to the United Kingdom Treasury Delegation in Washington on the subject of military relief. The United Kingdom representatives in Washington have been experiencing difficulty in getting any replies from the United Kingdom Treasury. Will you please impress upon the United Kingdom Treasury the urgency that we attach to the completion of the agreement and express our hope that the United Kingdom representatives in Washington will receive early advice?

1076. DEA/2295-BH-40

Le chef de l'état-major général au sous-secrétaire d'État aux Affaires extérieures

Chief of the General Staff to Under-Secretary of State for External Affairs

SECRET Ottawa, January 28, 1945

Dear Mr. Robertson,

On several occasions the Canadian Member, Colonel Beamer, on the Supplies Sub-Committee of the Combined Civil Affairs Committee (CCAC(S)) in Washington, has asked for instructions to enable him to give a Canadian view on matters concerning the priority of military relief. I have held the view that in such matters Canada is not in a position to judge since they relate to matters requiring decisions at the highest operational level—either Combined Chiefs of Staff or the Theatre Commanders.

The CCAC(S) has just been asked to judge the priority to be given SHAEF or AFHQ with respect to certain articles of military relief that are insufficient

to meet the demands of both theatres. In this case the War Office favours AFHQ and the War Department SHAEF. The divergence of views depends on an interpretation of the relative operational necessity for this military relief in each theatre. I informed Beamer that he could not give an opinion as representing a Canadian view, as the matter was one that was impossible to judge from Ottawa.

It is recognized that by not expressing a view one way or the other the Canadian representative may be in an embarrassing position. At the same time I consider that there are very strong grounds for not giving views on matters that are not of direct concern to Canada and which should be decided by the Theatre Commander, or in cases of conflict with Commanders of other theatres, by the CCOS at Washington.

Since, by accepting membership in the CCAC(S), Canada becomes automatically associated with the final decisions of the Committee in these matters, whether or not Beamer expresses a Canadian view, I thought it advisable to keep you informed of the stand the Department is taking and I should be glad to have any comments you would care to give me on the question.

Yours sincerely,

J. C. MURCHIE

Lieutenant-General

1077. DEA/2295-BH-40

Le sous-secrétaire d'État aux Affaires extérieures au chef de l'état-major général

Under-Secretary of State for External Affairs to Chief of the General Staff

SECRET Ottawa, January 30, 1045

Dear General Murchie,

I am very glad to have your letter of January 28th, concerning the attitude which the Canadian member on the Supplies Sub-Committee of the Combined Civil Affairs Committee in Washington should take when questions of policy come before the Committee which are not of direct concern to Canada. I fully agree with your view that these should be decided by the Theatre Commander or, in cases of conflict with Commanders of other theatres, by the CCOS in Washington.

When it was decided that it was appropriate that Canada should make some contribution to the cost of military relief, representation on the Supplies Sub-Committee of the Combined Civil Affairs Committee was sought in order to maintain the principle that financial participation implies the right to share in control. It is the function of the Canadian member to explain the Canadian position and to safeguard Canadian interests, but it was never intended that he should express a Canadian view on matters of policy which do not directly

concern Canada and on which the information at the disposal of the Canadian authorities is insufficient to enable them to give useful guidance to the Canadian representative.

For these reasons I am entirely in agreement with the instructions which you have given to Colonel Beamer.

Yours sincerely,
N. A. ROBERTSON

1078. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-602 Washington, February 3, 1945

IMMEDIATE. SECRET. Following for Robertson from Pearson, Begins: Financing Military Relief.

1. During the past ten days there have been a number of important developments which we have delayed reporting to you until the situation clarified. These developments are as follows:

(a) The division in the State Department with which we and the United Kingdom have been negotiating over the past several months has now indicated that, although an "ultimate guarantee" has been implied in arrangements so far, and despite what they said at our earlier meeting as reported to you in our WA-148 of January 10th, they find themselves quite unable specifically to give such a guarantee without reference to Congress. They explain that Congressional votes of monies lapse each fiscal year and they cannot be sure that Congress would vote the funds necessary for such a guarantee in a year when implementation became necessary. Their written reply to the informal documents which we left with them on January 9th[30] has not yet been received, but we have no doubt that when it is received it will indicate their inability to give this direct guarantee.

(b) The United Kingdom representatives have received word from London that they may give an ultimate guarantee if the United States does so and if they are satisfied that the United States will implement theirs. Unfortunately in view of (a), this is now of little significance.

(c) State Department have been attempting to meet our situation by divising some formula under which a country which had provided an unduly large proportion of supplies would have some prior line[31] on receipts from paying

[30]Voir les documents 1072 et 1073.
See Documents 1072 and 1073.
[31]Note marginale:
Marginal note:
lien?

Governments. We have expressed the opinion that no such formula can meet our ultimate problem which envisages the possibility that aggregate receipts will be inadequate to make the ultimate adjustments between supplying countries.

(d) We have raised the question whether the United States would undertake procurement in Canada in order to avoid a position where ultimate direct settlements are necessary. State Department have not yet expressed any opinion on this expedient, but the United Kingdom representatives believe that it will prove impossible. They recollect the difficulties which they encountered at an earlier date when attempting to get the United States to undertake procurement in British countries.

(e) Colonel Beamer advises us that Canada has now accepted procurement responsibility for approximately $80,000,000 (which happens to be 8 per cent of the $1,000,000,000 limit on aggregate procurement) and we understand that we have actually spent about $32,000,000 (which happens to be 8 per cent of $400,000,000). Although no really satisfactory figures are available the best informal estimates that we have been able to secure would indicate that the United Kingdom has accepted procurement responsibility for approximately $100,000,000, and the United States for something in excess of $400,000,000 (United States procured supplies actually shipped to January 1st, 1945 amounted to something in excess of $150,000,000).

(f) In our informal discussions, which have not been at the highest level, we have been far from satisfied by the attitude of the United States side which has lacked urgency and which shows no signs of producing constructive suggestions or early action. There has been rather desultory consideration of the proposal for pooling, but nothing definite has emerged.

2. Under these circumstances we recommend an approach to the Assistant Secretary of State for Economic Affairs and to the United Kingdom Embassy in the near future along the following lines:

(a) We are, pro tem, ceasing to accept any further procurement responsibility pending consideration of the situation in Ottawa and subsequent instructions.

(b) We can no longer admit of any obligation to accept procurement responsibility for supplies for which Canada is indicated as a source by the Combined Boards.

(c) We reserve the right to reconsider items for which Canadian procurement responsibility has already been accepted but which have not yet been procured, and we are reserving our right to defer action on "calls forward" received from the theatre for items which have been procured or which are under procurement. Do you concur in such an approach and in the implied policies?

3. Plumptre will be in Ottawa for a week beginning February 5th and will be in a position to inform you in greater detail on the situation in Washington, and to discuss with you the tactics to be employed.

4. There were two developments in the past day or two on which we should report and request your guidance:

(a) The United Kingdom representatives indicated that in view of the possibility that prospective losses may be approaching the initial limit of $400,000,000 they now consider it necessary to submit formally to the United States and Canadian Governments the note as originally drafted (i.e. the note given in section A of our teletype WA-6886 of December 11th, 1944 with the addition of the words "in Europe" after "liberated and conquered territories" in the first paragraph). They recognize that our acceptance of such a note would have to be accompanied by important reservations, but they feel that we might nevertheless wish to proceed with the exchange in order to formalize at least part of the arrangement if it can be done without prejudice to further consideration of our particular problem.

Unless they receive fairly strenuous objections from the State Department or us early next week they proposed to proceed with the formal submission of their note. You may find serious difficulty in accepting this note as it implies a guarantee against excessive ultimate loss (in the event that receipts are inadequate for the necessary adjustments) which we are convinced the United States would be unable to implement without action by Congress. Furthermore, acceptance of this note at this time might well be inconsistent with the action which we have recommended in paragraph 2 above.

(b) The United Kingdom representatives produced tentative proposals for the establishment of a three-party Inter-Governmental Committee to be charged with the responsibility for continuously collating the data on expenditures incurred by each of the three Governments and on proceeds received or in prospect and estimating the probable future trend of expenditures and receipts particularly with a view to advising each of the three Governments of the date on which aggregate losses are likely to reach the initial limit of $400,000,000. The outlines of this proposal are still very tentative and are now being worked over. We shall inform you of the details of the proposal well before any decision is required.

5. Finally it should be reported that as a result of combined discussions yesterday (prompted largely by a desire on the part of the War Department to improve its position with respect to the Budget Bureau) the paper on the procedure for keeping records and billing the recipient Government has been virtually agreed to, and a directive to SHAEF is now being despatched.

At about the same time the CCAC(S) appointed a working party to develop the machinery and procedures for determining combined average weighted landed costs. As a consequence of these developments it will be desirable (and possible) very shortly to present the notes to the Governments receiving the supplies informing them of their obligations. Our aim in these discussions has been to ensure that the way is left open for the adoption of procedures for joint collection and for pooling of receipts if the United States and United Kingdom authorities can be convinced of the advantages. Our view is that nothing in the statement of the billing procedure or in the text of the draft note to the recipient Governments as they emerged from these discussions precludes the possibility of joint collection or pooling. However, as indicated in paragraph 1

(f) above, the discussion on the merits and feasibility of joint collection and pooling has produced nothing definite yet. Ends.

1079. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-435 Ottawa, February 7, 1945

SECRET. Your WA-602 of February 3rd, financing military relief.

This question was discussed yesterday at a meeting in the Department of Finance, at which Plumptre was present. Plumptre explained that the procedure outlined in paragraph 2 was intended as immediate action to bring the importance of the issue sharply to the attention of the United States authorities while the ultimate policy was under consideration by the Canadian Government.

2. It has been agreed to authorize the steps which you recommend in paragraph 2, except that under heading (c) the words "we are reserving our right to defer action on 'calls forward' received from the theatre for items which have been procured or which are under procurement" should be omitted.

3. In addition, it was decided that a reference should be made to the fact that it will be impossible to add to the financial provision of $45,000,000 which has already been made by the Treasury Board until the situation is further clarified.

4. It was agreed that it is desirable that the United Kingdom should proceed to submit to the State Department the note set out in section A of your teletype WA-6886 of December 11th, with the addition of the words "in Europe" as suggested in paragraph 4 of your present teletype, although it is probable that Canadian acceptance of such a note would now have to be accompanied by important reservations.

5. These reservations would be of special importance if there is any prospect of the initial limit of $400,000,000 to prospective losses being exceeded and we should expect to have timely information which would enable us to make a deliberate decision before being committed in any way to share in losses exceeding this figure. Any excessive proportion of losses would make it impossible to adjust the financial position of the three countries by the distribution of receipts under the scheme and would, therefore, make an unqualified financial guarantee by the other participants extremely important.

6. It is hoped that in any steps which you take it will be possible to emphasize that the Canadian Government has done its utmost to make supplies available as they have been needed for relief in the liberated countries and that the steps have been forced on us by the delay of the other participants in clarifying the

plan in such a way as to give us the protection to which we are reasonably entitled. Ends.

1080. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis[32]

Secretary of State for External Affairs to Ambassador in United States[32]

TELETYPE EX-509 Ottawa, February 8, 1945

IMMEDIATE. SECRET. This teletype is to amplify my EX-435 of February 7th on the financing of military relief.

A further discussion took place today with Plumptre, Bryce and McCrimmon[33] concerning some of the practical problems which will arise in view of the decision to accept no further supply responsibility and to reduce our outstanding responsibility to the limits for which financial provision has been made because no explicit guarantee to share losses has been forthcoming. The two following paragraphs deal with the situation if such a guarantee is given by the United States and the United Kingdom.

2. As the matter stands at present, Canada is still offering to finance procurement, providing that a firm guarantee is received from the United States and the United Kingdom and that the limits of the plan itself are observed, namely, $1,000,000,000 for procurement and $400,000,000 for prospective losses.

3. As it seems not unlikely that possible losses have already reached this limit or may do so very soon, it is extremely important that steps should be taken to avoid incurring any liabilities by allowing the scheme to drag on for the purposes of supplying urgent needs before a firm financial agreement has been reached. It should be brought to the attention of the United States and British authorities that no Canadian commitment can be made to share losses in excess of $400,000,000, without a further reference to the War Committee of Cabinet and that it would be useless to make such a reference unless a clear plan can be presented. It follows that care should be taken to estimate prospective losses on a cautious basis and if the United States and the United Kingdom choose to deliver supplies to any recipient countries after the current estimate exceeds $400,000,000, they should do so on their own financial responsibility and without feeling that they have any claim to Canadian participation in the additional loss if it occurs.

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[32] Ce télégramme fut envoyé seulement le 12 février. Voir le document 1083.
This telegram was sent only on February 12. See Document 1083.

[33] Directeur adjoint, la Commission d'aide juridique.
Assistant Director, Mutual Aid Board.

4. We next turn to consider the more likely alternative of no guarantee being given. In discussing with the United States and United Kingdom representatives what our refusal to undertake further procurement responsibilities will involve, reference should be made to a statement on Canadian military relief,[+] a copy of which has been supplied to Plumptre and a copy of which is being sent by McCrimmon to Beamer by registered mail. This statement shows a tentative supply responsibility, as of February 6th, of $67,682,689, of which more than $33,000,000 is for wheat and more than $21,000,000 for trucks. The value of orders actually placed is $36,833,437, of which more than $31,500,000 is for wheat.

5. It is proposed that we should proceed with the delivery of the supplies for which orders have been placed and that, in addition, we should seek special Treasury Board approval in order to be able to include the trucks, which have already been acquired and paid for by the Canadian Government and which it is to our advantage to sell even if some risk is involved. These steps would bring our total commitment to something like $59,000,000, exclusive of any delivery of Mutual Aid goods which may be made by the United Kingdom and credited to us.

6. The supplies for which responsibility has been accepted but which have not yet been ordered amount, therefore, to about $8,000,000 and include a number of items which UNRRA will probably be glad to acquire. It may, therefore, be useful if a representative of UNRRA is invited to attend your discussions with the British and Americans and to take over any supplies which we have not ordered and which the United States representatives are not prepared to buy.

7. UNRRA, of course, may resell to Military Relief and it is possible that this device may overcome some of the difficulties which the United States authorities experience in placing orders in Canada. They may find it easier to buy goods which UNRRA has acquired from Canada and this procedure, though cumbersome, would achieve the same results as direct purchases from us.

8. In going over the list with the United States and British representatives, the line should be taken that it is in their interests to know what items Canada will not be in a position to supply in order that they may make whatever alternative arrangements seem desirable. It will also be in our interests to know whether or not these items will be bought in order that in the latter event we may offer them to UNRRA.

9. If the United States is unable to give us a guarantee but is willing to buy in Canada or to buy through UNRRA from Canada, we may be asked to increase our total financing pari passu with that of the United States and the United Kingdom until a limit of $80,000,000 is reached, provided that in the meantime the limit for prospective losses has not been exceeded. You should refer back to us before giving any undertaking on this point. It seems, however, likely that the proviso regarding total losses will protect us against having to assume any further financial procurement responsibility under this arrangement, particularly as the figure of $80,000,000 would include any supplies furnished by the United Kingdom out of Mutual Aid stocks.

10. Some consideration was given to the problem of pooling and to the currencies in which payments are to be made. As some of the paying countries may pay in Canadian dollars it is possible that the Foreign Exchange Control Board may wish to impose the same condition as in the case of purchases by UNRRA out of free funds, namely that the Canadian dollars should be acquired or purchased from a Canadian bank. In any case we wish to be amply protected against a risk, which was pointed out by Plumptre that, if the paying countries pay in United States and Canadian dollars in the proportions 67, 25 and 8, there may not be enough United States and Canadian dollars in the fund to make the payments out to which Canada, as a major supplier, might be entitled. Ends.

1081. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-741 Washington, February 12, 1945

IMMEDIATE. FOR IMMEDIATE ACTION. Following for Angus from Pearson, Begins: Military Relief. Unless you have any change to suggest, we propose to deliver the following Memorandum to the State Department tomorrow:

1. In its Memorandum of June 2nd, 1944,[14] the Canadian Embassy informed the Department of State of the willingness of the Government of Canada to participate with the Government of the United States and the Government of the United Kingdom in the provision of military relief supplies to Europe by temporarily financing orders placed in Canada and by sharing the ultimate net cost in proportion to Canada's military participation in the liberation of Western Europe. This proportion was estimated at approximately 8 per cent.

2. In its reply of September 12th[15] the Department of State informed the Canadian Embassy that the Government of the United States accepted the suggestion of an 8 per cent participation by Canada in the ultimate cost of military relief in Europe.

3. On the basis of this exchange the Government of Canada proceeded with the measures necessary to enable the fullest use to be made of Canada as a source of supply in the confident expectation that arrangements would be made to ensure that Canada's contribution to the ultimate cost would not exceed the agreed percentage.

4. Discussions among representatives of the three participating Governments have continued throughout the intervening period with a view to reaching

[14]Voir le document 1041.
See Document 1041.
[15]Voir le document 1047.
See Document 1047.

formal agreement on the terms of the arrangement for providing military relief supplies on a combined basis. In these discussions it has now been made known that the executive branch of the Government of the United States is not in a position to provide the assurance that Canada's contribution to the ultimate cost shall be limited to the accepted share.

5. During this period procurement responsibility has been accepted by Canada in excess of the $45,000,000 (Canadian) made available by the Canadian Treasury Board for the purpose, and supplies have already been shipped to a value in excess of the agreed share for Canada of the anticipated maximum ultimate cost.

6. In the absence of the firm assurances to which it regards itself as reasonably entitled the Government of Canada is now compelled to reconsider its position. Accordingly, the Canadian Embassy has been instructed to inform the Department of State that, pending the outcome of this reconsideration, the Government of Canada is reluctantly taking the steps necessary to protect its position:

(a) The Canadian authorities are ceasing, at least temporarily, to accept any further procurement responsibility for military relief supplies.

(b) The Canadian authorities are reserving the right to reconsider items for which procurement responsibility has already been accepted but which have not yet been procured.

7. The Government of Canada would, however, welcome any proposal which might provide a satisfactory basis for the resumption of Canadian participation in the provision of military relief supplies to Europe. Ends.

1082. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-744 Washington, February 12, 1945

Following for Angus from Pearson, Begins: Military relief. Once we leave our note with the State Department withdrawing from further participation, at least temporarily, I think we will have to reconsider our participation in meetings of the Combined Civil Affairs Committee. It may be a little embarrassing to continue to attend meetings of that Committee in the circumstances. What do you think? Ends.

1083. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-510 Ottawa, February 12, 1945

FOR IMMEDIATE ACTION. SECRET. Your WA-744 and 741, February 12th, Military Relief.

You will probably wish to reconsider your proposed memorandum in the light of teletype EX-509[36] which was prepared on Friday but delayed until today for clearance with Robertson and Clark. The figures show that the Canadian contribution to military relief will be so substantial as not to require any suggestion of withdrawal from the Committees as we contemplate seeking permission to exceed the $45,000,000 in order to include some trucks not yet ordered.

I think, for instance, that the last line of Paragraph 6 of WA-741 should read: "Reluctantly taking the steps necessary to limit its commitments under the plan." In Paragraph 6(a) "procurement responsibility" might be replaced by "supply responsibility" and a similar change should be made in Paragraph 6(b).

It is Paragraph 7 which will require most modification as the words "resumption of Canadian participation" suggest that we are contemplating an immediate stoppage of participation; in fact, we should be continuing to supply a large quantity of commodities for which orders have already been placed and should contemplate supplying the trucks as well. Taking these into account we should be financing more than 8 per cent of the total supplies financed so far by the three countries and as the scheme is to be reconsidered when the prospective loss reaches $400,000,000 we should probably be financing more than our pro rata share when that limit is reached. In these circumstances continued attendance at the meetings need occasion no embarrassment. Ends.

1084. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-802 Washington, February 14, 1945

IMMEDIATE. Following for Angus from Pearson, Begins: Your EX-509 and 510 of February 12th, financing military relief.

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[36]Voir le document 1080.
See Document 1080.

I saw Mr. Clayton, Assistant Secretary of State, at 4:30 yesterday afternoon with Ritchie from this Embassy and Reinstein and Jackson from the State Department. I gave Mr. Clayton the memorandum which is being reported to you in final form in a following teletype.

2. The statement of our position was received sympathetically and Mr. Clayton indicated that after they have an opportunity to study our position thoroughly he will either send us a reply or will ask us to discuss the matter with him again.

3. A brief discussion of the memorandum took place at this meeting but, as Clayton prefaced his remarks with the observation that he was quite unfamiliar with the background, we realized that his preliminary comments must be regarded as non-committal. However, you will be interested to hear that upon reading the memorandum and giving some thought to it, Mr. Clayton remarked that our position appeared quite justified in equity but he observed that there might be something in the preceding exchanges between the State Department and the Embassy which made the general principles of equity not strictly applicable to the case. At this point Mr. Jackson observed that while the Canadian position appeared to be stated very fairly, he regretted that apparently the Canadians had not been informed of discussions which had taken place between the United States and United Kingdom before Canada's entrance into the arrangement in which the State Department had indicated that the arrangement would have to be so designed that cross payments from the United States to any other party to the arrangements could be avoided as the Executive Branch of the United States Government was unable to undertake to make such payments. The State Department may have stated this view to the United Kingdom representatives before we came on the scene but certainly we were unaware that such payments were definitely impossible until our discussions with the State Department during the past fortnight. In fact, as we indicated to you in our WA-148[17] reporting on our conversations of January 9th, at which Mr. Reinstein was also present, Mr. Merchant,[18] whose position Mr. Jackson is occupying temporarily during the former's absence in Europe, had indicated that the sort of guarantee requested by us appeared to him to be implied in the general arrangement. We shall remind Mr. Reinstein and Mr. Jackson that such views were expressed on that occasion in order that they may recognize that we were encouraged to expect such a guarantee as recently as January 9th. Mr. Jackson emphasized that there was one important consideration which should not be overlooked by the State Department in its examination of the Canadian memorandum and that was the fact that Canada had offered voluntarily to bear part of the burden of providing military relief supplies. He felt that the State Department could not fail to recognize the cooperative and helpful attitude displayed by Canada in offering to participate in this agreement.

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[17] Document 1071.

[18] Chef, la direction économique des régions de guerre, département d'État des États-Unis.
Chief, War Areas Economic Division, Department of State of the United States.

4. There will be a number of questions in connection with the implementation of our memorandum on which we shall require guidance from Ottawa.

5. As continuous advice from the Canadian member will be required by C.C.A.C.(S) at least until the commitments which we finally accept have run out, and furthermore as the Committee will doubtless wish to be advised of additional availabilities of supplies from Canada in case such supplies are not available elsewhere and the United States can make satisfactory arrangements for procurement, and finally as there is at least some possibility that a basis may be provided for resuming full scale Canadian participation in procurement at a later stage, I assume that we shall be expected to continue active membership in the C.C.A.C.(S).

6. I understand that Colonel Beamer's office will be discussing with the C.C.A.C.(S) the detailed adjustments in our commitments made necessary by the action which we have taken. For this purpose his office will review our existing commitments with the appropriate authorities in Ottawa almost immediately.

7. For similar reasons I agree that it would seem in the common interest for us to continue participation in discussions in the full C.C.A.C. when supply matters of special interest to Canada are under consideration.

8. In connection with other related combined activities or discussions the appropriateness of our continued participation would seem to be established by the fact that our expenditures, even under the revised commitments, will be substantially in excess of our maximum share of the ultimate cost and we shall hope for reimbursement at least to the amount of excess out of receipts. We shall, therefore, expect to continue our participation in:

(a) The presentation of notes to the recipient Governments.

(b) The operation of the costing and billing procedures.

(c) The decision as to the most efficient method of collecting and disbursing receipts and the operation of the procedures adopted.

(d) The projected Inter-Governmental Committee on financial questions arising from the operation of the arrangement, including the determination of the point at which the $400,000,000 limit on losses is reached (reference was made to this proposed Committee in paragraph 4(b) of our WA-602 of February 3rd).

(e) The working out of arrangements for crediting the supplying Governments appropriately for supplies transferred by the military to UNRRA when responsibility for relief operations is turned over to UNRRA in the various areas.

9. In theory the operations of the Combined Boards on military relief requirements would seem to remain unaffected by the action which we have taken. Officers of the Combined Boards will be expected, as in the past, to consider the availability of supplies of or production capacity in Canada without concerning themselves with the question of responsibility for undertaking and financing procurement. In practice, no doubt, in indicating sources of supply for military relief purposes there will be a tendency to avoid

recommending Canadian sources when the supplies in question are readily available also in the United States or United Kingdom. Presumably consideration will be given to this practical problem in Ottawa.

10. We are informed that the United Kingdom has now formally presented the general note of agreement to the State Department and to our High Commissioner in London. We had advised the United Kingdom Embassy that acceptance of this note by Canada would have to be subject to important reservations. Ends.

1085. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-803 Washington, February 14, 1945

Following for Angus from Pearson, Begins: Reference my WA-802 of today's date, financing military relief.

Following is text of the formal memorandum which I handed to Mr. Clayton, Assistant Secretary of State, on February 13th, Begins: Financing of Military Relief Supplies from Canada.

1. In its memorandum of June 2nd, 1944,[39] the Canadian Embassy informed the Department of State of the willingness of the Government of Canada to participate with the Government of the United States and the Government of the United Kingdom in the provision of military relief supplies to Europe by temporarily financing orders placed in Canada and by sharing the ultimate net cost in proportion to Canada's military participation in the liberation of Western Europe. This proportion was estimated at approximately 8 per cent.

2. In its reply of September 12th[40] the Department of State informed the Canadian Embassy that the Government of the United States accepted the suggestion of an 8 per cent participation by Canada in the ultimate cost of military relief in Europe.

3. On the basis of this exchange the Government of Canada proceeded with the measures necessary to enable the fullest use to be made of Canada as a source of supply in the confident expectation that arrangements would be made to ensure that Canada's contribution to the ultimate cost would not exceed the agreed percentage.

4. Discussions among representatives of the three participating Governments have continued throughout the intervening period with a view to reaching formal agreement on the terms of the arrangement for providing military relief

[39]Voir le document 1041.
See Document 1041.
[40]Voir le document 1047.
See Document 1047.

supplies on a combined basis. In these discussions it has now been made known that the Executive Branch of the Government of the United States is not in a position to undertake, at this time, to make such payments to Canada ultimately as may prove necessary to ensure that Canada's contribution to the final net cost shall be limited to the accepted share.

5. During this period responsibility for financing procurement has been conditionally accepted by Canada in excess of the $45,000,000 (Canadian) made available by the Canadian Treasury Board for the purpose, and supplies have already been shipped or ordered for shipment to a value in excess of the agreed share of the anticipated maximum ultimate cost.

6. In the continued absence of the firm assurances to which it regards itself as reasonably entitled, the Government of Canada is now compelled to reconsider its position. Accordingly, the Canadian Embassy has been instructed to inform the Department of State that, pending the outcome of this reconsideration, the Government of Canada is reluctantly taking the steps necessary to limit its commitments under the agreement.

(a) The Canadian authorities will endeavour to finance the procurement of those military relief supplies which have already been ordered.

(b) The Canadian authorities are reserving the right to reconsider items on which responsibility for financing procurement has already been conditionally accepted, but which have not yet been ordered.

(c) The Canadian authorities are ceasing, at least temporarily, to accept any further responsibility for financing the procurement of military relief supplies. Ends.

1086. DEA/2295-AH-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A.43 London, February 14, 1945

Sir,

I have the honour to refer to your despatch No. 655 of May 29th, 1944,[41] regarding the financing of military relief during the period preceding the operation of U.N.R.R.A.

2. As intimated in my despatch A.323 of June 5th,[†] the United Kingdom authorities were asked to give consideration to the question and I now enclose a formal Memorandum from the Government of the United Kingdom to the Government of Canada which I am informed is the outcome of long discussions in Washington in which the Government of Canada have taken part.

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[41] Voir le document 1041.
See Document 1041.

3. I have a communication from the Dominions Office† intimating that they would be glad to receive formal confirmation that the Government of Canada are in agreement with the proposals in the Memorandum, subject to any reservations it may be desired to make.

4. I am informed that a similar memorandum is being presented by the United Kingdom Ambassador in Washington to the State Department of the United States Government.[42]

5. It will be noted that the Memorandum does not deal with the question of the treatment of supplies made available from the United Kingdom which may be of Canadian origin, received by the United Kingdom through the Mutual Aid procedure, but I hope to obtain information on this subject very shortly.

I have etc.

VINCENT MASSEY

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du gouvernement de Grande-Bretagne au gouvernement du Canada

Memorandum from Government of Great Britain to Government of Canada

London, February 12, 1945

The United Kingdom Government desire to refer to the Memorandum of the Canadian Government of the 3rd June, 1944,[43] regarding the sharing of the burden of the cost of the provision of civilian supplies on a combined basis to liberated and conquered areas in Europe outside their own territories, insofar as the burden does not fall on U.N.R.R.A.

In the light of proposals which have since been considered by the United States Government, the Canadian Government and the United Kingdom Government, it is recommended that the ultimate burden of the cost of the provision of such supplies should be borne in the following manner:

(1) that the United States, United Kingdom and Canadian Governments shall agree on the provision of supplies required up to a value not exceeding one billion dollars;

(2) that unless other arrangements are mutually agreed upon, payment in full shall be requested of all Governments or authorities of liberated or conquered areas to which such supplies are furnished;

(3) that such amounts as prove to be irrecoverable from such Governments or authorities shall be borne by supplying Governments in the following

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[42] Voir États-Unis, *Foreign Relations of the United States*, 1945, volume II, Washington, U.S. Government Printing Office, 1967, pp. 1068-9.
See United States, *Foreign Relations of the United States*, 1945, Volume II, Washington, U.S. Government Printing Office, 1967, pp. 1068-9.

[43] Voir le document 1041.
See Document 1041.

proportions: by the United States Government, 67% of such irrecoverable amount; by the United Kingdom Government, 25% of such irrecoverable amount; by the Canadian Government, 8% of such irrecoverable amount;

(4) that receipts collected from recipient Governments or authorities shall be divided as may be necessary in order that the ultimate deficit be shared in proportion set out in (3) above;

(5) that the three Governments shall consult together from time to time in order to decide whether a claim shall be maintained against any Government or authority which at any time indicates its inability to meet any request for payment;

(6) that if at any time it shall appear that the total irrecoverable deficit amounts, or is likely to amount, to 400 million dollars, the three Governments concerned shall consult together in order to consider whether civilian supplies can continue to be provided under this arrangement.

1087. DEA/2295-AH-40

Mémorandum de l'adjoint spécial en temps de guerre du sous-sécretaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaire extérieures

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

Ottawa, February 27, 1945

I got Mr. Heeney to put the financing of military relief on the Agenda of tomorrow's meeting of the War Committee and to circulate the memorandum of which a copy is attached.

A decision in respect at least of question 2 on page 5 is a matter of urgency as I understand from Colonel McCrimmon that the military relief authorities in Washington have called forward more wheat than it has as yet been decided to supply to the extent of $1,000,000.

It is true that if separate financial provision is made for the trucks as contemplated by the submission prepared for Treasury Board, enough money would remain out of the $45,000,000 already provided to cover the cost of this wheat as well as the million dollars involved in question 1 on page 5.

In question 2 on page 5 I should have added that wheat in the amount of 82,400 long tons is included in item (c) on page 2—"supplies for which Canada has accepted responsibility and for which procurement action has not yet been taken." The million dollars above refers to part of this wheat.

H. F. A[NGUS]

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du ministère des Affaires extérieures

Memorandum by Department of External Affairs

FINANCING OF MILITARY RELIEF

It has become necessary to ask for direction with respect to a few problems concerned with the financing of military relief.

I. *Summary of the course of negotiations*

1. Discussion of military relief arose when it was clear that UNRRA would not be an acceptable agency for providing relief in the course of military operations. At one time the United States suggested that all supplies from the British Empire should be financed from British Empire sources and when objection was raised to this proposal it was suggested that Canada might offer some other form of contribution.

2. The Canadian offer to pay 8% of the ultimate loss involved in connection with the provision of military relief to liberated countries was made in accordance with a Minute of the War Committee of Cabinet dated May 17th. It was agreed that supplies purchased in Canada should, in the first instance, be financed by Canada and Canadian participation was made dependent on Canadian representation on the Supplies Committee of the Combined Civil Affairs Committee.

3. The Canadian offer was accepted in a letter from the State Department to Mr. Pearson, reported in teletype WA-5325 of September 12th in these terms "I am happy to inform you that this Government accepts your suggestion of an 8% participation by Canada in the ultimate cost of military relief."

4. Pending a more formal arrangement, supplies were made available from Canada from time to time and authority was obtained from Treasury Board, first for $5,000,000 and then for an additional $40,000,000 to cover the cost of these supplies.[44] As of February 6th:

(a) Supplies shipped or ready to be shipped amounted to	$36,997,908
(b) Supplies under procurement and not yet ready to be shipped amounted to	$23,825,902
(c) Supplies for which Canada has accepted responsibility and for which procurement action has not yet been taken amounted to	$16,013,587
(d) Supplies for which Canada has been recommended as a	

[44]Voir les documents 1046 et 1060.
See Documents 1046 and 1060.

source by the Combined Boards but for which responsibility has not yet been accepted amounted to	$49,044,642
Total	$125,882,039

5. The British Government had in the meantime developed the plan by a proposal, accepted in principle by the United States, that the United States should pay 67% of the ultimate cost, the United Kingdom 25% and Canada 8%. The arrangement was to be reconsidered if the total of the supplies procured reached $1,000,000,000 or if the losses which were anticipated amounted to $400,000,000. A formal memorandum along these lines has been delivered by the Government of the United Kingdom to both the United States and the Canadian Governments.[45]

6. The method of collecting from the Governments of the recipient countries the cost of the supplies furnished did not appear to the Canadian authorities adequate to ensure that repayment would be prompt or even that the Canadian share of the losses would be limited to 8% of the total loss and it was, therefore, decided to ask the United States and the United Kingdom for a firm guarantee that they would make any payments that might be necessary to bring the ultimate losses into the agreed proportions. The United Kingdom is prepared to give the guarantee if the United States will do so too, but the United States authorities, while admitting an implied liability, contend that they cannot give a guarantee without going to Congress which they are not prepared to do.

7. In view of these developments it was decided to accept no further procurement responsibility and to reconsider any responsibilities in excess of $45,000,000 for which financial provision had been made. This sum would more than cover supplies shipped or under procurement (apart from certain army trucks valued at $21,000,000).

8. In order to include these trucks which are already in the possession of the Canadian military authorities and for which it is highly desirable to find a market, a submission to Treasury Board has been prepared, asking for financial provision not to exceed $25,000,000.

9. At the same time a formal request has been made to the State Department for the firm guarantee mentioned in para. 6. and failing that, it has been suggested that the United States and United Kingdom authorities should buy the supplies to be procured in Canada now that Canadian financing of these supplies has come to an end.[46] No reply has as yet been received to this request.

10. The United States authorities have, however, signified their willingness to pay cash for a number of items urgently needed falling within the category of "Supplies for which Canada has accepted responsibility and for which

[45] Voir la pièce jointe du document précédent.
See enclosure of preceding document.

[46] Voir le document 1085.
See Document 1085.

procurement action has not yet been taken." These are supplies not normally produced within the United States in sufficient quantities to meet present needs. They do not include supplies which the United States might have provided had adequate notice been received but for which preparation was not made because Canada had accepted responsibility. Those of these latter items which are urgently needed would cost roughly $1,000,000 (excluding wheat which will be discussed separately).

11. In summary, if the formal guarantee were received from the United States and a like guarantee were obtained from the United Kingdom, the military relief plan would admirably fulfil the following objectives:

(a) It would make a worthy contribution to the relief of liberated countries which is essential to their political stability and, therefore, to the attainment of many of the purposes for which the war is being fought. The importance of the relief of liberated countries is being constantly emphasized. It is the subject of a recent despatch from the Prime Minister to the Canadian Ambassador in Washington,[47] written at the time of the visit of the Right Honourable Richard Law, and in a telegram from General Eisenhower,[†] of which a copy was received on February 20th, the matter is treated as one of operational urgency.

(b) It would limit Canada's financial contribution to 8% of the total loss, that is to say to $32,000,000, unless the scheme is extended.

(c) It would provide an important outlet for some Canadian surpluses, whether these are war assets as in the case of the trucks, or commodities in long supply as in the case of the wheat.

II. *Immediate Questions*

1. Should Canada finance the supplies for which responsibility has been accepted and for which the United States is not willing to pay because they could have been provided in the United States itself had earlier notice been received? As has been explained in para. 10 above, these amount to about $1,000,000.

2. Should any special action be taken in respect of wheat? In addition to what has already been provided, some 65,000 tons of Canadian wheat have been urgently requested for March shipment. The United States is apparently not prepared to pay for this wheat but has suggested that if it is delivered they can offer replacement in kind later in the year.

3. In addition larger quantities of wheat have been allocated to Canada as a source of supply by the Combined Boards, though responsibility has not as yet been accepted. (See para. 4 (d) above.) These allocations were made at Canadian request and in the face of some United States competition. The problem on which direction is sought is, therefore, this. Should financial provision be made for supplying wheat for military relief either in respect of the quantity which is urgently needed in April or in respect of larger quantities

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[47] Voir le document 1282.
See Document 1282.

for which Canada may wish to find an outlet. The total involved is about 30,000,000 bushels.

III. *More Remote Questions*

1. If a guarantee is forthcoming from the United States, it is assumed that Canada will be prepared to resume financing of all supplies procured in Canada within the life of the present scheme, that is to say, until the total supplies provided by all three countries amount to $1,000,000,000 or until the anticipated total loss reaches $400,000,000. It is expected that the limit of loss will shortly be approached and that Canada will then be asked to continue under the plan.

As the decision to offer to pay 8% of the ultimate loss was reached and the original Canadian offer made before any limit was suggested to the total loss and as the reason given for the percentage of the ultimate loss which Canada was prepared to bear was the proportion of Canada's participation in the land operations, it is not easy to find a reason for refusing to extend the scope of the present scheme beyond the limits proposed by the United Kingdom, namely, an overall limit of $1,000,000,000 and a limit to anticipated loss of $400,000,000.

While it seems probable that the United Kingdom will wish to reduce its percentage of the ultimate loss if the scheme is extended on the ground that its share is disproportionately large in comparison with its ability to finance the procurement of supplies of which a large proportion come from outside the sterling area, no analogous argument can be employed by Canada.

In brief, the problem is whether Canada should be willing to pay 8% of the loss incurred by extending the scheme after the limit of anticipated loss has been reached. As this limit is $400,000,000 for the whole scheme, the limit for Canada would be $32,000,000.

2. Canada may be expected in the course of the negotiations to reply to two further questions which can only be stated at the present time in a hypothetical way:

(a) If orders are placed in Canada and financed by the United States or the United Kingdom to such an extent that the financial commitments of those countries within Canada and elsewhere reach the proportions 67, 25 and 8, in which it was agreed that losses were to be borne, would Canada be prepared to resume financing orders in Canada pari passu with the other two countries until the overall limit of $1,000,000,000 is reached? In this event Canada's total commitment would be increased from $61,000,000 (including the trucks) to $80,000,000, but the latter figure would include an allowance for supplies of Canadian origin which have reached the United Kingdom by way of Mutual Aid and are being passed on to military relief, and some wheat supplied to Greece for which military relief may accept responsibility. This whole question is hypothetical because it seems probable that the military relief plan will have to be re-negotiated long before the limit of $1,000,000,000 is reached because the limit to anticipated losses of $400,000,000 is likely to be reached very shortly.

(b) If Canada were to receive repayment from one or more of the countries which have received supplies so that the net Canadian commitment fell below the figure of $32,000,000, which is the share of the anticipated loss that Canada expects to bear, would the Canadian Government be willing to resume financing of supplies procured from Canada?

In the light of information received yesterday immediate question No. 2 on page 5 of the Memorandum for War Committee of Cabinet on the financing of military relief has been rewritten as follows:[48]

3. Should any special action be taken in respect of wheat? Responsibility was accepted under paragraph 4(c) on page 2 above for 82,400 tons to be lifted in April. However on February 27th the United States authorities called forward wheat for which provision had already been made and also part of the quantity just mentioned, value about $1,000,000. This latter call cannot be met unless authority is given to cover the cost. This wheat has probably been sub-allocated to army groups and the United States authorities say that it will be difficult or impossible to take all the steps necessary to reallocate the sources in time to meet the shipping deadline.

In addition some 65,000 tons of Canadian wheat have been urgently requested for March shipment to Italy. The estimated value is $5,571,410. Procurement responsibility was not accepted for this wheat until February 7th (i.e., subsequent to the date on which the amount of 82,400 tons was recorded) but plans had to be made some time previously and were based on the assumption that Canada could supply this wheat. It would apparently be impracticable to reallocate it in time for shipment.

The United States is apparently not prepared to pay for this wheat but has suggested that if it is delivered they will offer replacement in kind later in the year.

In the last sentence but one of question 3 "urgently needed in April" should therefore be replaced by "urgently needed in March and April".[49]

1088. PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET February 28, 1945

...

[48] La copie de ce mémorandum dans les dossiers du Conseil privé ne contient pas cette révision.
The copy of this memorandum in the files of the Privy Council does not contain this revision.

[49] Voir la note précédente.
See preceding footnote.

FINANCING OF MILITARY RELIEF

21. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, referring to discussions at the meeting of October 5th, 1944, reported on problems which had arisen in connection with the financing of military relief:

Supplies had been made available under authorities obtained from Treasury Board for $45 millions pending the more formal arrangements which were expected to follow the government's offer to accept eight percent of the ultimate loss involved in providing military relief to liberated countries. Supplies ready to be shipped or under procurement, or for which responsibility had been accepted by Canada now amounted to some $77 million, while Canada had been recommended as a source of further supplies to the extent of almost $50 million more.

Arrangements for collection and repayment had not, to date, been satisfactory and the U.S. and U.K. governments had been asked to give a guarantee to Canada against ultimate loss beyond the eight percent proportion which had been accepted. U.S. authorities, however, had been unable, as yet to give such a guarantee and, meantime, the need for immediate shipments to Europe had become very urgent.

Certain immediate questions had arisen in regard to the financing of supplies for which Canada had accepted responsibility.

An explanatory memorandum had been circulated.

(External Affairs memorandum, undated—C.W.C. document 948.)

22. THE WAR COMMITTEE, after considerable discussion, agreed that responsibility for military relief should be vested in the Mutual Aid Board whose administration should undertake procurement of supplies in Canada for this purpose, the cost of such relief to remain a charge upon the War Appropriation, and that a recommendation to Council to this end be prepared and submitted at an early date.[50]

With respect to immediate matters, it was agreed that:

(a) Canada should finance minor items of supply to a total not exceeding $1 million, for which the U.S. government were not willing to pay on the ground that they could have been provided by the United States had earlier notice been received:

(b) wheat be provided by Canada to the minimum extent necessary to meet immediate needs, on the understanding that replacement in kind would be made by the U.S. government later in the year; and,

(c) no further commitment of any sort be accepted by Canada pending a full examination of the situation by the Mutual Aid Board.

...

[50]Cette recommandation fut approuvée le 13 mars.
This recommendation was approved on March 13.

1089. DEA/2295-AH-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A.62 London, March 1, 1945

Sir,

I have the honour to refer to your despatch No. 1618 of December 12th, 1944† and to my despatch No. A.43 of February 14th, 1945, regarding the financing of military relief during the period preceding the operation of UNRRA.

2. I have now heard further from the United Kingdom authorities regarding the treatment of relief supplies made available from the United Kingdom which may be of Canadian origin received by the United Kingdom under Mutual Aid procedures.

3. In your despatch No. 655 of May 29th, 1944,[51] you intimated that special consideration would have to be given to such supplies and put forward the suggestion that these supplies should count as United Kingdom contributions to relief.

4. The United Kingdom authorities feel that this may well be the most practicable and convenient way to treat the supplies. Apparently, however, they have no wish to receive financial benefit for themselves through the supply of goods in which there is a Mutual Aid element and they recognise that the credit for such Mutual Aid element should in proportion go to Canada.

5. They have been discussing with the United States how to deal with a similar problem of supplies made available from the United Kingdom which are of Lend-Lease origin, and I enclose for your information copy of a memorandum on this subject which the Embassy in Washington has recently presented to the State Department.† The approach now made to us by the United Kingdom authorities is in line with paragraph 7 of your despatch No. 1618 of December 12th.[52]

6. The United Kingdom authorities feel that the Canadian authorities may wish to consider whether some corresponding arrangement should be made for an appropriate adjustment in respect of the Mutual Aid element in any supplies furnished from the United Kingdom, either on some proportionate basis or by way of identifying wherever possible supplies of Canadian origin so that an ad hoc arrangement may be made.

7. At the same time, the United Kingdom authorities think that the amounts involved are likely to be small in terms of money while the arrangements

[51] Voir le document 1041.
See Document 1041.

[52] Voir le paragraphe 6 du document 1061.
See paragraph 6 of Document 1061.

necessary for adjustment might prove difficult and complicated. Accordingly, if the Canadian Government see fit to proceed on the basis suggested in your despatch No. 655 of May 29th, 1944, the United Kingdom authorities would for their part, be content.

I have etc.

FREDERIC HUDD
for the High Commissioner

1090. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1169 Washington, March 5, 1945

IMMEDIATE. SECRET. Your EX-435 of February 7th, paragraph 4, and Ritchie's letter to Angus of February 15th† concerning the Memorandum of Agreement submitted by the United Kingdom on the arrangements for providing relief on a combined basis outside UNRRA (i.e. military relief).[51]

2. The following aide-mémoire has now been received from the Department of State, Begins:

"The Department of State informs the Canadian Embassy that a memorandum has been received from the British Embassy at Washington under date of February 12, 1945, in which are set forth the recommendations of the British Government as to the manner in which the ultimate burden of the cost of provision of civilian supplies on a combined basis to liberated and conquered areas in Europe should be borne, so far as the burden does not fall on the United Nations Relief and Rehabilitation Administration. The Department understands that a similar communication has been addressed by the British Government to the Canadian Government.

The Department of State has informed the British Embassy that the proposals contained in the Embassy's memorandum under reference are acceptable to the United States Government. The Department suggests that, if the proposals are acceptable to the Canadian Government, they shall be regarded as constituting an agreement among the three Governments." Ends.

3. It is appreciated by the United States and United Kingdom representatives in Washington that Canadian acceptance of the original memorandum will have to be subject to several important qualifications.

[51] Voir la pièce jointe, document 1086.
See enclosure, Document 1086.

1091. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 385 Ottawa, March 12, 1945

Sir,

I have the honour to refer to despatch No. A.62 of March 1st, 1945,† concerning the treatment of relief supplies made available from the United Kingdom for purposes of military relief which may be of Canadian origin and have been received by the United Kingdom under Mutual Aid procedure.

2. This question has been considered by the Mutual Aid Board and it has been decided that it is desirable to have an arrangement between the United Kingdom and Canada on this subject similar to that which has been made between the United Kingdom and the United States.

3. Although the two arrangements should be similar in general character, it is desirable to state the Canadian position in some detail.

4. In general it should be a basic principle that the United Kingdom will not request as Mutual Aid from Canada any supplies intended for military relief.

5. Where it can be determined that identified shipments, or parts of shipments, of supplies furnished to the United Kingdom as Mutual Aid have been diverted or transferred by the United Kingdom to military relief purposes, such supplies shall be treated as supplies provided by Canada under the military relief agreement rather than as supplies provided by the United Kingdom.

6. Where the United Kingdom provides supplies as military relief which are estimated to contain a substantial but unidentifiable fraction which has been provided by Canada to the United Kingdom as Mutual Aid, a proportion of such supplies to be agreed between representatives of the two Governments on principles similar to those already agreed between the United Kingdom and the United States in respect of unidentifiable Lend-Lease content of military relief supplies, shall be regarded as being provided by Canada to military relief, in accordance with the military relief agreement.

7. It is intended to confine the operation of the preceding paragraph to specified commodities of which the supplies provided by the United Kingdom as military relief may be expected to contain a significant proportion originally provided from Canadian sources by way of Mutual Aid to the United Kingdom.

8. For this purpose it would be appreciated if the United Kingdom authorities would inform us of those supplies being provided by the United Kingdom as military relief which are of the same nature as supplies which have been obtained from Canada as Mutual Aid.

9. I shall appreciate it if you will bring these proposals, which conform closely with those which the United Kingdom authorities appear to anticipate, to the attention of those authorities.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1092. DEA/2295-BH-40

Le sous-ministre aux Finances au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Finance to Under-Secretary of State for External Affairs

SECRET Ottawa, March 12, 1945

Dear Mr. Robertson,

I am writing in reference to your note to me of February 12th† regarding the provision of civilian supplies to Germany and Austria under military auspices, the despatch from Pearson of February 6th† on the same matter, and recent discussions which have been held regarding Military Relief and its relation to the provision of supplies to ex-enemy areas.

It seems to me that these documents and discussions raise an issue of major importance which should be the subject of careful interdepartmental discussion and then of a War Committee decision. Not only are very important principles involved, both economically and politically, but also the potential expenditures involved are quite substantial.

As I understand it, the enemy needs for relief being distributed by the military forces to the populations of conquered territories as well as liberated territories are being met under the Military Relief arrangements upon which agreement has just been reached, although, as you know, Canada's participation in the financing of the supplies obtained from Canada is being suspended for the time being at least because it appears that we are bearing a disproportionate amount of the financial risks involved. These arrangements would appear to suffice in meeting the requirements for the next few weeks, but judging from the information that has been supplied by your Department recently, it would appear that the prospective limit to the deficit agreed upon, i.e., $400,000,000 will be reached shortly, and therefore the whole scheme will have to come up for revision and reconsideration by the Governments involved. Therefore we should be thinking of the policy we should wish to follow in any extension of the arrangements, and it seems to me that such policy involves, as one of its main elements, the question of how much financial responsibility we should take for providing supplies to those in conquered territories.

I understand that the Minister of National Defence stated at the last meeting of the Mutual Aid Board that the military authorities will likely have

to look after the distribution of relief and other essential civilian supplies even following the close of hostilities and in liberated as well as in conquered territories. Consequently the provision of the supplies as Military Relief appears likely to go on for some time and to be a major element in the provision of supplies to ex-enemies along the lines discussed in the documents under reference. Of course, the character of the arrangements may change somewhat when the military authorities become formally occupying authorities, but the substance of the problem will presumably remain much the same.

Although this Department is without any very definite information on the matter, it seems to us that the potential requirements of an economically prostrate Germany and Italy may continue very large through this year and later. The enormous destruction being inflicted upon the enemy and all their territory and production and transportation facilities will make it exceedingly difficult for persons in enemy territory to support themselves by domestic production or provide any exports to pay for the supplies they need from abroad. For this reason, I do not believe any claim on Germany in respect of relief supplies would be worth very much even if it were possible to get priority over Russian and other claims for reparations and indemnities. It may be that Germany will have some gold or other liquid assets which can be used to help pay for the civilian supplies required, and if so, it will be worth while trying to get a claim on them even ahead of other claims. Nevertheless I do not think that we can count on this as a sure means of financing the possibly large requirements of food and other essential supplies from outside.

When we undertook to pay for 8% of the cost of Military Relief, we did so on the basis that this was a part of the cost of the military campaign in Europe, and since we were providing approximately 8% of the troops involved (aside from the Russian front), it would be reasonable to base our share of these, so to speak, overhead costs on this proportion. In doing so, I think we were going farther than could be justified on the basis of relative capacity to bear costs, since we were bearing one-eighth as much as the United States. I suppose the U.S. have some corresponding costs in other parts of the world—perhaps for liberated or conquered areas in the Pacific—but as yet, so far as I know, they have not raised these as an argument in determining their proper share of the costs in Europe. In the absence of some argument of this kind, I would think that we ought not to bear a larger proportion of the cost in relation to the U.S. than we are doing under the UNRRA arrangement, where the ratio is 1 to 17½. Certainly we ought to bear no more than the same amount per capita as the U.S., which would amount to something like 1/12 of the absolute amount which the U.S. are bearing.

If the United Kingdom can also be expected to bear a fair proportion of the cost—and I feel sure she should be expected to and, indeed, the British would probably feel they should, if that country is to maintain its Great Power status—then our share, instead of being 8% of the total of the three countries, ought to be something in the neighbourhood of, say, 5%. Indeed, in view of the relatively small part that we are able to play in determining the major matters

of policy in connection with the conduct of the war and the post-war settlements, many Canadians may feel that we should not be called upon to bear any proportion at all of these costs, even though many of the goods required may have to come from Canada. If we are to share in the costs, there may also be good reason for expecting, say, France, and some other Continental countries, particularly those with substantial foreign exchange reserves, to bear some share as well,[54] although they may well claim that the damage they suffered themselves is so great that they should be excused this obligation. If some of the supplies required are to come from countries which have not taken an important part in the war but have joined in it either recently to get a seat at the Peace Conference, or earlier, would it not be possible to argue that the least they can do is to bear some of the cost of providing these supplies to conquered territories?

I feel that this matter should not be allowed to drift, with the result that these costs of looking after enemy territory would simply be added to the Military Relief costs being assumed under the present agreement. It may be the intention of the United Kingdom and the United States Governments that this should be the case, though the limit of $400,000,000 set on the prospective losses under the Military Relief agreement by the U.K. can hardly have been intended to cover a large proportion of the supplies required for Germany and Italy. If the experience of the past is any guide, it will take a long time to thresh out arrangements to follow on after the present Military Relief arrangements. On the other hand, I do not think we can enter a new fiscal year with a huge potential liability hanging over us on which no limit can be set and about which very little can be said. We must somehow budget for whatever provision is made, and the strain upon our budget is going to be very severe at a time when many Canadians will be expecting a considerable reduction in war expenditures. On the other hand, I do not suppose that the victorious Allied powers can let the people under their control starve to death merely because they are unable to pay for what they require.

I do not know what may be the best means of approaching a solution to this problem, whether, for example, we can get useful information on these questions quickly in Washington and London, or whether we should proceed first to work out what seems to us the best attitude for Canada to take. Possibly it would be best, after preliminary discussion amongst ourselves and reference either to the War Committee or to those Ministers most directly concerned, to use the reaching of agreement on Military Relief as the occasion to say that we have assumed it would not suffice to look after much of the needs of Germany and Italy, particularly once major hostilities have ceased, and that we do not feel that Canada should be expected to carry as much as 8% of such continuing requirements. In any event, it seems to me the first step ought probably to be to arrange a meeting of those of us most directly

[54]Note marginale:
Marginal note:
I have spoken to Bonneau in this sense. R[OBERTSON]

concerned with this problem - perhaps half a dozen from here in the East Block—for a preliminary discussion.[55]

Yours very truly,

W. C. CLARK

1093. DEA/2295-AH-40

Minute d'une réunion du Conseil du Trésor

Minute of Meeting of Treasury Board

P.C. 3/1751 Ottawa, March 16, 1945

EXTERNAL AFFAIRS
MUNITIONS AND SUPPLY
NATIONAL DEFENCE

The Board had under consideration a memorandum from the Honourable the Secretary of State for External Affairs, concurred in by the Honourable the Minister of Munitions and Supply and the Honourable the Minister of National Defence, reporting:

"That the Cabinet War Committee on October 5th gave approval to an Exchange of Notes with the Governments of the United States and the United Kingdom providing for the payment by Canada of eight per cent of the final cost of military relief in Western Europe on the understanding that Canada will be represented on the Supplies Committee of the Combined Civil Affairs Committee. The Cabinet War Committee agreed that the detailed procedure for carrying out this arrangement should be left to the officials of the three Governments;

That the Canadian Embassy in Washington reports that negotiations are proceeding with the other two Governments concerned with respect to the details of the proposed Agreement but that while it is clear that all three Governments are prepared to conclude an Agreement that is, in substance, on the lines approved by the Cabinet War Committee, the United States Government has not as yet expressed its willingness to give a firm assurance that it will make any payment that may be necessary to ensure that Canada does not bear more than the agreed share of eight per cent of the final cost of military relief in Europe;

That under the proposed Agreement Canada would have been responsible for the financing in Canada of all orders that might be placed here;

That the Canadian Embassy reports that it is clear from all the formal and informal discussions that the United States and the United Kingdom are agreed that payment in full shall be requested of all Governments or authorities of liberated or conquered areas to which supplies are furnished and that the firm intention of the United States and the United Kingdom is to render bills monthly, if possible, or quarterly if monthly billing is not feasible.

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[55] Aucun procès-verbal d'une telle réunion ne fut trouvé.
No record of such a meeting was located.

The time which would elapse between the billing and the remittance of payment by the recipient Government will depend primarily upon negotiations between the recipient Government and the supplying Governments concerned;

That the Agreement contemplates a limit to the prospective deficit to be incurred, without the Agreement being brought up for re-negotiation, at the sum of $400,000,000, Canada's share of which would amount to $32,000,000. Similarly, the total to be financed by the three Governments without the negotiation of a new Agreement would be limited to $1,000,000,000. It is, of course, impossible to say that the supplies which Canada would be required to finance initially would be limited to eight per cent of this sum or $80,000,000 since the placing of orders in Canada will depend on the availability of supplies;

That on August 17th, 1944, Treasury Board recommended that authority be granted for expenditures in an amount not exceeding $5,000,000 in connection with the Canadian participation in the cost of relief during the military period in Europe, chargeable to the Allotment from the War Appropriation for Army Services, the expenditures to be made by the Mutual Aid Board under arrangements satisfactory to the Department of National Defence;

That on December 6th, 1944, Treasury Board recommended that further provision should be made for expenditures in an amount not to exceed $40,000,000, chargeable to the War Appropriation for Army Services, and that the expenditures be made by the Mutual Aid Board in financing orders placed on account of Military Relief;

That in view of the difficulty of obtaining a firm assurance from the Government of the United States that in the event of its not being possible to distribute the payments from the Governments receiving supplies in such a way as to reimburse the Canadian Government for expenditures incurred in excess of its share of eight per cent of the ultimate loss under the proposed Military Relief operations, it has been decided to limit the procurement of supplies in Canada to those for which financial provision has already been made.

It is, however, desirable to include in this provision certain trucks which, while manufactured for operational use, have now been found to be unsuitable for such a purpose. One lot, which comprises 1,498 6-ton load carrying units, consists of F.W.D. Company's tractors with semi-trailers and is the property of the Department of National Defence; the other lot, which comprises 2,200 6-ton load carrying units, consists of the Ford Company's tractors with semi-trailers and was supplied to the United Kingdom as Mutual Aid. It is, therefore, recommended that Treasury Board should make provision for further expenditures in an amount not to exceed $25,000,000 chargeable to the War Appropriation for Army Services."

The Board concur in the above report and recommendation, and submit the same for favourable consideration.

A. D. P. HEENEY
Clerk of the Privy Council

1094. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 436 Ottawa, March 20, 1945

SECRET

Sir,

I have the honour to refer to your despatch No. A.43 of February 14th concerning the financing of military relief.

2. It would be appreciated if you will communicate to the Dominions Office formal confirmation of the concurrence of Canada in the proposals contained in the Dominions Office memorandum of February 12th.[56] The following statement of the Canadian position has been discussed informally with the representatives of the United Kingdom in Washington who have been concerned with the discussions relating to military relief and it has also been shown to the officials of the State Department:

"The Canadian Government is in general agreement with the recommendations made in the memorandum of the United Kingdom Government of February 12th, 1945, regarding the sharing of the burden of the cost of the provision of civilian supplies on a combined basis to liberated and conquered areas in Europe in so far as the burden does not fall on UNRRA, subject, however, to the following reservations:

(1) In the absence of a firm assurance from the Government of the United Kingdom and the Government of the United States that they will make whatever payments may be necessary to ensure that the ultimate deficit will be shared in the proportions agreed on if the division of the receipts collected from recipient Governments does not produce this result, the Canadian Government cannot undertake to bear a share of the financing of the original procurement of the supplies disproportionate to the shares borne by the other two Governments.

(2) As the original offer of the Canadian Government contemplated a contribution to the cost of military relief rather than to the cost of the provision of civilian supplies on a combined basis to military and conquered areas in Europe in so far as the burden does not fall on UNRRA, the Canadian Government cannot undertake any commitment in respect to any projects for furnishing supplies on a combined basis which go beyond the provision of military relief unless these projects are expressly approved by the Canadian Government.

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[56] Voir la pièce jointe, document 1086.
See enclosure, Document 1086.

(3) The memorandum of the British Government does not deal with the treatment of supplies which may be made available from the United Kingdom but which may have been received by the United Kingdom from Canada through the Mutual Aid procedure. It is expected that, in general, such supplies will be treated as part of the Canadian contribution to military relief but detailed proposals on this point will form the subject of a separate memorandum."†

3. It is anticipated that the Dominions Office will furnish a reply, taking note of our reservations and that we shall then communicate the text of our communication to the Dominions Office and of its reply to the State Department in order to enable that Department to conclude the tripartite agreement.

4. The Canadian reservations were formulated at a time when it was thought that the Canadian share of the original financing had been disproportionately large and, indeed, at a time when the supplies which it was expected to procure in Canada for the purpose of military relief had an aggregate value of upwards of $125,000,000. For this reason shipments from Canada were curtailed while a request for an assurance from the State Department that if the distribution of the receipts from recipient Governments did not effect a distribution of the ultimate losses under the military relief plan in the agreed proportions, any payments that might be necessary for this purpose would be made by one Government to another. This request is still under consideration by the State Department. In the meantime, however, figures have been produced which indicate that the Canadian share of the supplies actually shipped does not amount to more than 6.1% and that by June 30th the Canadian share will not, in the absence of further shipments, amount to more than 5%. In spite of these figures, we are adhering to the original form of communication as a matter of record.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1095. DEA/2295-AH-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au directeur de l'administration, la Commission d'aide mutuelle

Memorandum from Under-Secretary of State for External Affairs to Director of Administration, Mutual Aid Board

SECRET Ottawa, March 20, 1945

In the light of conversations which Mr. Angus has had in Washington in the course of the last few days, I am in a position to supply the following information concerning the status of the military relief negotiations.

1. It is hoped to present notes very shortly to the governments of the countries in western Europe which can be expected to pay for the supplies which they

have received by way of military relief. There is some difference of opinion as to whether or not in presenting notes to Greece and Yugoslavia it should be indicated that the supplying countries will not press for payment. I gather that some of the American authorities feel that this is not a step which should be taken without Congressional approval as it, in substance, remits a debt.

2. In a general way it is anticipated that from the date of liberation or occupation until June 30th, 1945, the contributing Governments will have supplied relief amounting to $1,058,200,000, of which approximately $400,000,000 will have been supplied to the Balkans and Italy, countries from which payment is not expected.

3. As relief in the Balkans will shortly be taken over by UNRRA, it is not anticipated that the limit of anticipated losses set at $400,000,000 will be exceeded, except in one of the following ways:

(a) If a country in northwestern Europe which is not applying to be treated by UNRRA as a non-paying country nevertheless refuses to pay for military relief.

(b) If payment cannot be obtained for such military relief as may be supplied to Germany and Austria.

(c) If military relief is needed in Italy after June 30th.

4. These possibilities should be examined separately:

(a) It is believed that substantial pressure can be exerted on the countries of northwestern Europe, particularly if they are approached in good time.

(b) It has been tentatively agreed that the Governments of the United States and the United Kingdom should be asked to raise in the Moscow talk on reparations the importance of making military relief a first charge on receipts from Germany and of devising a method by which this charge can be made available to the countries supplying military relief. It is assumed that military relief will come to an end in Germany and that some other arrangement will be made when the Combined Command terminates and separate zones of occupation are established.

(c) It is expected that military relief will come to an end in Italy and some other arrangement will be made in its place when hostilities cease and the Allied troops can be withdrawn.

5. It nevertheless seems important that discussions should take place shortly as to the re-negotiation of the arrangements for military relief which must take place when the anticipated losses reach $400,000,000. This will be desirable even if the negotiations go no further than recording formally the expectations set out in the preceeding paragraph. If they do go further, presumably there will be a request that the limit of anticipated losses should be raised from $400,000,000 to some higher figure, but it is hoped that before this request is made more precise information will be available as to the probability of larger losses actually occurring. If larger losses are not anticipated there would seem to be no objection to raising the limit for total supplies which has been set at $1,000,000,000.

6. If no further supplies are financed by Canada it is anticipated that by June 30th the Canadian share of total financing will be approximately 5%. If this expectation were realized Canada would have to make a cash payment to either the United States or the United Kingdom in order to give effect to our offer to bear 8% of the losses, unless this result were achieved by dividing the receipts from the paying countries.

7. In these circumstances there would seem to be no good reason why Canada should not increase the financial contribution which has already been made, provided that the total financial commitment of Canada does not exceed 8% of the total commitment of the three countries combined. It is therefore, recommended that financial provision should be made to make available wheat in the quantities for which procurement responsibility had at one time been undertaken by Canada, namely, an amount of 82,400 long tons, together with a further amount of 65,000 long tons. It is understood that the provision of this wheat will facilitate the shipment of wheat in general to points where it is badly needed by relieving the United States of the responsibility of collecting wheat for shipment.

8. No reply has as yet been returned to the Canadian request for a firm assurance that if the ultimate losses under the military relief plan are not divided in the agreed proportions of 67, 25 and 8 by a distribution of the receipts under the plan, payments will be made to effect this distribution of losses.[57] In view of the fact that the Canadian share of financing does not exceed 8% at the present time and is not likely to do so by June 30th, the fact that we have not as yet received such an assurance is not a matter of importance. So long as the supplies furnished by the three supplying countries bear a rough relationship to the proportions in which they have agreed to share in the ultimate losses, the receipts recovered under the plan can be distributed so as to keep their losses in the required ratios. It can hardly be anticipated that either of our partners would seek to retain receipts under the plan to which it was not entitled in the light of its agreement that these receipts should be distributed. If, however, some assurance on this point is desired, it is understood that there would be no difficulty in obtaining from the other two Governments concerned an agreement to treat their receipts under the plan as held in suspense until an adjustment had been made, bringing the losses to the agreed proportions.

9. It might be worth seeking some such agreement because once it had been obtained it would be easy to suggest some system of combined collection by which one country would collect from each debtor and hold the proceeds in suspense until an adjustment were made. It would, therefore, be appreciated if the Mutual Aid Board would decide whether the other two Governments should be approached on these lines.

N. A. ROBERTSON

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[57]Voir les documents 1085 et 1094.
See Documents 1085 and 1094.

1096. DEA/2295-AH-40

Le directeur de l'administration, la Commission d'aide mutuelle, au sous-secrétaire d'État aux Affaires extérieures

Director of Administration, Mutual Aid Board, to Under-Secretary of State for External Affairs

SECRET Ottawa, March 23, 1945

RE: MILITARY RELIEF

I have your memorandum dated March 20th, in which you set forth the status of Military Relief negotiations.

I think it would be advisable for us to request a firm assurance from the United States and the United Kingdom that they will hold their receipts in suspense until an adjustment is made which will bring the losses under the plan to the agreed proportions of 67%, 25% and 8%.

I think it hardly necessary to get the Board's formal approval to such action, but if you do not agree please let me know and I will prepare a memorandum for the next Board meeting.

A. M. MCCRIMMON
Lieutenant-Colonel
for Director of Administration

1097. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1616 Washington, March 26, 1945

IMMEDIATE. SECRET. Following for Angus from Ritchie, Begins: Your EX-1112 of March 24th, military relief. I have now received a letter from the State Department† regarding the presentation of notes requesting payment from Governments which have received military relief supplies from the United States, the United Kingdom and Canada.

The State Department intends to address the notes to the Missions at Washington of the Governments of France, Belgium, Luxembourg, the Netherlands, Norway, Yugoslavia and Greece. The text of the note which they will present is reported in my immediately following teletype.† The text varies but slightly from the draft which you have had under consideration.[58]

On the question of the notification to the Yugoslav and Greek Governments, the State Department reports its understanding that it had been our combined intention to present the formal demand for payment even to those countries

[58] Voir le document 1102.
See Document 1102.

which we presumed to be non-paying, and that we would leave it to them to state their inability to make payment. After consultation with the Treasury, the State Department now indicates that, in presenting the notes, an oral statement might be made to the Greek and Yugoslav representatives, that similar notes are being addressed to all the recipient Governments, and that our purpose in presenting the notes to the Greek and Yugoslav Governments is primarily to record the fact of their indebtedness of us. The State Department representatives propose to say that they appreciate the difficulties in the financial position of these Governments and anticipate that their answer will be that they are unable to comply with the request for payment.

The State Department does not feel that any statement should be made to these two Governments, either in writing or orally, which suggests that the indebtedness is being cancelled. I gather that they are not in a position to cancel such indebtedness without prior Congressional approval.

The State Department suggests, and the United Kingdom representatives here agree, that the notes be given to the various recipient Governments on March 31st, or on the earliest date thereafter which is convenient to London and Ottawa. I shall let you know if London finds it impossible to make the presentation on that day. Ends.

1098. DEA/2295-BH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1720 Washington, March 30, 1945

Following for Angus from Pearson, Begins: Military Relief.

Beamer, Sale[59] and Ritchie were asked to attend a meeting in the State Department yesterday afternoon at which United States and United Kingdom military and civilian representatives were present to discuss supply problems resulting from the suspension of Canadian participation in Military Relief with particular emphasis on the current wheat difficulties.

2. Colonel Palmer from the United States War Department outlined the serious situation that they are faced with as a result of increasing demands during the next four months from northwest Europe and the inability of the United States transportation system to move much more than was accomplished in March. The monthly increase of all supplies over March, which strained their transportation resources to the limit, is in the neighbourhood of 50 per cent in April and 100 per cent during May, June and July. He could see

[59] Membre, mission canadienne conjointe des états-majors, Washington; secrétaire, le Comité composé sur les opérations de secours, Washington.
Member, Canadian Joint Staff Mission; secretary, Combined Relief Operations Committee, Washington.

no practical solution short of obtaining a major part of this increase from Canadian sources and through Canadian transportation channels. Of the increases, approximately 80 per cent is represented by wheat.

3. Wayne Jackson, speaking for the State Department, indicated definitely that the United States could not undertake procurement of wheat in Canada. It was considered unlikely that any satisfactory arrangement could be made for United Kingdom procurement in Canada. He enquired, therefore, whether in the light of statistics presented in CCAC(S) memorandum for information Number 8 (which I sent to you with my letter of March 15th)† the Canadian Government would be prepared to undertake the financing of further procurement, particularly of wheat. He remarked that the notes would be going out to the recipient Governments in a few days and that there was every prospect of payment from the northwest European countries to which the bulk of supplies above the 400 million already shipped or scheduled for the Balkans and Italy would be going. He thought that in these circumstances the Canadian Government might feel that receipts would be adequate to distribute losses in the agreed proportions and to keep the total loss up to June 30th fairly close to 400 million. He expressed the view that if it proved impossible for the Canadian Government to finance the procurement of this wheat the only possible way of reducing the amount to be moved by United States inland transport to a volume that could conceivably be managed would be to arrange with the National Governments of certain liberated areas for them to procure wheat in Canada and contribute it to the Military Relief pool. Colonel Palmer considered it most unlikely that such an arrangement could be made in view of the fact that supplies contributed to Military Relief are not definitely committed to any specific destination with the result that, say the Belgians and Dutch, who are experiencing very great difficulties with their present supply programmes would be asked under this arrangement to provide supplies which might be distributed to other areas. He indicated, however, that the War Department would be prepared to assist in the exploration of this possibility if the Canadian Government would not undertake the necessary procurement.

4. We were, of course, not in a position to make any reply to these enquiries and we did not intimate what the reply from the Canadian Government was likely to be. We did, however, suggest that the Canadian Government's consideration of the problem might be affected if the State Department were to reply to our memorandum of February 13th to Mr. Clayton[60] stating the position of the United States Government formally and particularly if they were to indicate in their reply that although they were unable to guarantee us against excessive losses they were willing to assure us that collections would be made jointly and that receipts would be held in suspense pending settlement. We would recommend that the proper authorities in Ottawa consider urgently the extent to which the Canadian Government is prepared to undertake further procurement in the light of the situation as presented at this meeting. However, we feel that the communication to the United States or United Kingdom of any

[60]Voir le document 1085.
See Document 1085.

decision might well be delayed until we have secured a reply from the State Department along the lines suggested above.

5. Concerning the quantities of wheat involved we are expecting an estimate from CCAC(S) within the next day or so and will report it to you immediately. This figure would provide a basis for your proposed recommendation referred to in EX-1152† and would replace the figures of 82,400 and 65,000 which you previously had under consideration. Ends.

1099. DEA/2295-BH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1731 Washington, March 31, 1945

IMMEDIATE. Following for Angus from Ritchie, Begins: Our teletype WA-1720 of March 30th, military relief.

A statement has been prepared by the Canadian side of CCAC(S) providing in more detail the information mentioned in paragraphs 2 and 5 of our teletype. The following is the text of the statement, Begins: North American Wheat/Flour Shipments.

1. Military relief requirements of wheat and flour from North American sources for SHAEF and SACMED for the 2nd quarter, 1945 as approved by CCAC(S) are as follows:

March	429,950 L.T.
April	483,500 L.T.
May	563,437 L.T.
June	831,372 L.T.
Total	2,308,259 L.T.

Requirements for April are firm and those for May and June are in accordance with approvals so far given by CCAC(S). The latter are subject to revision but it must be emphasized that, if past experience is any guide, revisions will be upwards. Included in the June program is 150,000 long tons for feeding displaced United Nations nationals in Germany. Policy with respect to the supply of wheat to the German population has not yet been settled and if a decision is taken that some minimum feeding is desirable, quantities for both May and June may be substantially increased.

2. A careful examination by a special Wheat Committee of the military, transportation and shipping authorities, has indicated that during the period March-June the best possible movement of wheat and flour from the United States is as follows:

	U.S. Share	Deficiency
March	404,950 L.T.	25,000 L.T.
April	432,816 L.T.	50,684 L.T.
May	413,437 L.T.	150,000 L.T.
June	431,372 L.T.	400,000 L.T.
Total	1,682,575 L.T.	625,684 L.T.

3. Deficiencies for March and April are being taken care of from the unshipped balance of 372,239 L.T. of wheat for which Canada had accepted firm commitments prior to February 13th.

4. The Special Committee firmly believes that the only source from which the May and June deficiencies can be met is Canada and with this view the CCAC(S) concurs. Ends.

This is the most authoritative statement possible at the present time. You will, of course, appreciate that any advance estimate of this kind is bound to contain an element of uncertainty. It may, however, provide a sufficient basis for whatever recommendation you feel should be made concerning the extent to which the Canadian Government might undertake the financing of further procurement.

The whole question of the provision of relief to the German population and the arrangements for financing such relief can almost certainly not be settled before a decision will be necessary on the requirements set forth in the above statement. I am hopeful that the discussion of arrangements for providing relief to Germany will have reached a fairly advanced stage by the latter part of April and that it will be practicable to have formal discussion of the possible arrangement around April 18th if you expect to be in Washington at that time for the meeting of the UNRRA Committee on Supplies. As you will observe the quantity of wheat included in the above estimates makes no allowance for the German population.

In addition to an urgent decision on these particular wheat requirements and any further views which you may have on arrangements for financing relief to Germany, we should be grateful for some guidance as to the possible nature of a reply from the State Department to our memorandum of February 13th which would be helpful to the Canadian authorities. In paragraph 4 of our teletype WA-1720 we suggested the general lines which such a reply might take. We have as yet no assurance that the State Department will be prepared to reply in that sense. We think, however, that in the present circumstances we may be able to secure such a reply if we can give them a clearer indication of the kind of reply which our Government would find helpful. Ends.

1100. DEA/2295-AH-40

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

Ottawa, March 31, 1945

NOTES TO GOVERNMENTS RECEIVING MILITARY RELIEF

I enclose seven notes which have been prepared for presentation on April 4th.[61] The message for Luxembourg is contained in a note addressed to the Netherlands Minister.

2. Interviews will apparently be necessary in the case of Greece and Yugoslavia. The policy of the State Department is to make an oral statement that the purpose of presenting these notes to the Greek and Yugoslav Governments is primarily to record the fact of their indebtedness, to say that the Department appreciates the difficulties in the financial position of these Governments and anticipates that their answer will be that they are unable to comply with the request for payment.

3. The State Department does not feel that any statement should be made to these two Governments, either orally or in writing, which suggests that the indebtedness is being cancelled.

4. I assume that you will wish to take similar action on behalf of Canada.[62]

H. F. A[NGUS]

1101. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-1222 Ottawa, April 2, 1945

IMMEDIATE. Following for Ritchie from Angus, Begins: Your WA-1731 of March 31st, military relief. I am circulating this teletype to the Departments concerned but it may be useful to give a tentative reply on a few points.

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[61] Voir le document 1102.
See Document 1102.

[62] Note marginale:
Marginal note:
Done. N. A. R[OBERTSON]

1. The requirements from Canada for May shipment mentioned in paragraph 2 appear to be met by the recent action of the Mutual Aid Board.[63]

2. The large requirement for June could probably be met as far as physical supply is concerned, leaving only a financial problem. A request on this point can be made to the Mutual Aid Board. It would, of course, make the financial problem much easier if all or part of the proposed shipment could be a direct sale on credit if necessary from Canada to a paying government. It might be worth exploring this idea, although of course it may be difficult to earmark shipments and much of the wheat may go to Italy.

3. I am not quite clear from paragraph 4 whether or not the figures for June include supplies for German civilians or if it is expected that a further demand will be made.

4. I am glad to know that there is a prospect of discussing the financial aspects of relief to the German population on or about April 18th and I shall be glad to come to Washington if it is of any help in bringing these discussions to a head. Presumably something can be said at the same time of Austria and Italy.

5. I am inclined to think that if the State Department is not prepared to give the assurance for which we have asked it would be useful if it were to reply stating its Constitutional or political difficulty, assuring us that any monies actually received from recipient countries would be held in suspense for distribution among the supplying countries and that everything possible would be done to secure payment from enemy countries for military relief supplies in order that the countries furnishing these supplies would not be put in the position of indirectly financing reparations which others would receive. Ends.

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[63]Le 30 mars, la Commission d'aide mutuelle avait autorisé 10,000,000$ de plus pour du blé.
On March 30, the Mutual Aid Board had authorized a further $10,000,000 for wheat.

1102. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur de France[64]

Secretary of State for External Affairs to Ambassador of France[64]

No. 13 Ottawa, April 4, 1945

Excellency,

I have the honour to inform you that in the course of military operations on the European continent, the combined armies of the Allies are importing into Europe certain basic supplies for the civilian populations of territories which are being liberated from the German invaders. These supplies for civilian use are being procured by the Governments of the United States, of the United Kingdom, and of Canada, and are reaching the people in the several Allied countries in Europe, including those of France, through or for the account of their respective Governments. The supplying Governments expect that the recipient Governments will pay the costs of such civilian supplies which are delivered to their respective countries.

Bills will be rendered to the recipient Governments monthly or at other convenient intervals by the Supreme Allied Commander through whom civilian supplies are furnished, but in any event as soon as possible after the delivery of these supplies. While, as a matter of convenience, these bills will be presented in terms of United States dollars, recipient Governments will be asked to pay in currencies acceptable to the supplying Governments.

The supplying Governments expect the Government of France to make payment of each bill rendered to it for civilian supplies furnished to France on the basis that the amount of each bill is final for the quantities of civilian supplies covered thereby. The amounts due will be based on quantitative records of the supplies furnished to recipient Governments and on average landed costs of commodities delivered in Europe, as maintained and computed by the Allied military authorities. Costs will be so computed because of the impossibility of tracing every shipment from original source to destination.

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[64]Des notes semblables furent envoyées le même jour au ministre des Pays-Bas et aux chargés d'affaires de la Belgique, de la Grèce et de la Yougoslavie. Une autre note semblable fut adressée au ministre des Pays-Bas à l'intention du Luxembourg. La note au ministre de la Norvège était aussi semblable à l'exception de la deuxième phrase du premier paragraphe qui ne contient pas les mots «including those of Norway» et de la phrase suivante ajoutée à la fin de ce paragraphe:

Similar notes were sent the same day to the Minister of The Netherlands and to the Chargés d'Affaires of Belgium, Greece and Yugoslavia. Another similar note was addressed to the Minister of The Netherlands to the attention of Luxemburg. The note to the Minister of Norway was also similar with the exception of the second sentence of the first paragraph which does not contain the words "including those of Norway" and of the following sentence added at the end of that paragraph:

> The same arrangements will apply to supplies furnished by the combined Allied military authorities to Norway.

Average costs will be calculated so as to cover all costs of these commodities to the supplying Governments, including transportation to the point where these supplies reach the country of final destination. Should any costs be incurred by the military authorities beyond that point, such as cost of inland transport, separate billings to recipient Governments will cover such expenses.

At the time of the first billing by the combined Allied military authorities, your Government will be advised as to the procedures to be followed in making payments.

It is understood that the United Kingdom and United States Governments are addressing similar communications to your Government.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1103. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1821 Washington, April 5, 1945

IMMEDIATE. Financing military relief. With reference to the last paragraph of your EX-1222 of April 2nd, we have now secured from the State Department acceptance of arrangements which, in our judgment, will go a long way towards maximizing receipts and minimizing the risk of our bearing a disproportionate share of the losses. The letter from the State Department is reproduced in my immediately following teletype.

We are to receive from the United Kingdom Embassy, this afternoon or tomorrow morning, a similar letter indicating their concurrence in the principles accepted by the State Department. This letter will be reported to you as soon as it is received.

We feel that these statements from the United States and United Kingdom sides will be helpful in enabling the Canadian authorities to arrive at a decision concerning Canadian participation in the initial financing of further relief supplies required from Canada at least during the next two or three months.

1104. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1822 Washington, April 5, 1945

IMMEDIATE. With reference to our WA-1821, the following is the text of the letter received from Jacques J. Reinstein, Acting Associate Chief, Division of Financial Affairs, Department of State, under date of April 4th, Begins:

This letter will serve to confirm the statement which Mr. Gunter (of United States Treasury) and I made in our meeting of April 3rd with reference to the collection of sums owing to the Canadian, British and American Governments under Plan A.

We are prepared to handle the collection of these amounts on a joint basis, and suggest that the Governments, which are the recipients of military relief, be asked to pay the amounts due to the three Governments jointly. A decision would need to be made as to the proportion of such amounts which are to be paid in the currencies of the respective supplying countries. This decision would be made at the time of the first billing and would be based upon our best estimate at the time of the amounts owing to us and of the amounts which are likely to be uncollectable.

It is our view that the percentage of the various currencies to be requested should be subject to alteration and that any adjustments to be made between currencies should be handled by refunding excess amounts paid in one currency to the paying Governments in exchange for payment of the currencies of which the pool is deficient. In this way, the burden of the transfer problem would be placed upon the Governments which have been the recipients of relief supplies, rather than upon the supplying Governments. If any Government claims that it is unable to make payment in the currencies requested, but offers to make other payment arrangements, the matter would be made the subject of consultation between the three Governments.

It is our suggestion that the amounts collected should be deposited in suspense accounts to be established in the central banks of the three supplying countries, payment in the currency of each supply Government being made to the central bank of that country. The amounts so deposited would be held in trust for the three Governments. Disbursements from the accounts would be made from time to time by agreement of the three Governments in accordance with the loss-sharing formula.

It is our feeling that the foregoing arrangements would meet fully the desire expressed by the Canadian Government for joint collection of the sums owing under Plan A. We hope that these views will be taken into account by the authorities in Ottawa in the consideration which, we understand, they are giving to future Canadian procurement under Plan A.

I am sending a copy of this letter to Mr. Jackling of the British Embassy. Ends.

1105. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1846 Washington, April 6, 1945

IMMEDIATE. With reference to the second paragraph of my WA-1821, I am reproducing below the text of the letter now received from R. W. Jackling, Second Secretary, the United Kingdom Embassy under date of April 5th. Begins:

"I have received from Mr. Reinstein a copy of his letter to you of April 4. I am authorized to inform you that His Majesty's Government in the United Kingdom is in agreement with the proposals of the United States contained in that letter." Ends.

1106. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1971 Washington, April 13, 1945

IMMEDIATE. With reference to our WA-1822 of April 5th and WA-1846 of April 6th, Military Relief.

We should appreciate authorization to reply to the State Department expressing our gratification, indicating our acceptance of the proposals for joint collection and for holding receipts in suspense in trust for the Three Governments, and assuring them that these proposals, which the United Kingdom Government also has accepted, are being taken into account by the Canadian authorities in the consideration which they are giving to future Canadian financing of Military Relief supplies. An appropriate reply along similar lines would, of course, be sent to the United Kingdom Embassy.

This is all the State Department has expressly asked for in the way of a reply, but if we are prepared to treat these proposals as equivalent to the assurances for which we had been asking,[65] and if, therefore, we are willing to resume the financing of orders placed in Canada, the State Department and

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[65] Voir les documents 1085 et 1094.
See Documents 1085 and 1094.

the United Kingdom Embassy would no doubt appreciate being informed to this effect in our reply.

The Canadian authorities will doubtless wish to give consideration immediately to the detailed arrangements for our part in the implementation of the proposals for joint collections and suspense accounts. Under the proposals reported in our WA-1822 the joint collection agent would remit to the Bank of Canada that part of the payment which was received in Canadian dollars. Can arrangements be made by which the Bank of Canada will hold these dollars in a suspense account in the name of the Three Governments until it is agreed that they can be released? If the account is to be held in the name of the Three Governments as now proposed, withdrawals will require the authorization of all three Governments. In all probability the Canadian dollar portion of receipts will be no more than the claims of the Canadian Government against the arrangement, and would, therefore, be released in their entirety to the Canadian Government rather than transferred to the United States or United Kingdom Governments.

In view of the large share of supplies coming from the United States it is not likely that Canada will be entitled to any considerable adjustment payments from that country. The volume of supplies from the United Kingdom is expected to be large enough to render unnecessary any adjustment payments from the United Kingdom to either of the other two countries. Transfer payments will be necessary only if too much of one currency has been received as a result of a miscalculation. As a precaution against difficulties which might be encountered in effecting transfers of sterling, or even of Canadian dollars, to the United States, it is likely that a fairly liberal proportion of United States dollars will be requested. Although Canada is not likely to be dependent upon substantial transfers from the suspense accounts held in the United States or United Kingdom, you may have some suggestions to put forward, or some conditions for which you would wish us to press concerning the form which the United States and United Kingdom suspense accounts should take.

Another question which occurs to us concerning Canadian dollar collections has to do with the regulations of the Foreign Exchange Control Board. Does the F.E.C.B. wish to impose any limitation on the sources from which Canadian dollars must have been obtained by the paying country? If there are such limitations we should presumably advise the United States and United Kingdom authorities as these limitations might affect the ability of a Government receiving relief supplies to make repayment.

This message has been drafted in consultation with Angus.

1107. DEA/2295-AH-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

DESPATCH A.129 London, April 16, 1945

Sir,

I have the honour to refer to your despatch No. 385 of March 12th regarding the treatment of relief supplies available from the United Kingdom which may be of Canadian origin and received by the United Kingdom under Mutual Aid procedure, and to confirm that the arrangements proposed are acceptable to the United Kingdom Government.

2. Referring to the request in paragraph 8 of your despatch under reference, the United Kingdom authorities advise that they hope to supply us with information[66] shortly regarding those supplies being provided by the United Kingdom as military relief which are of the same nature as supplies which have been obtained from Canada as Mutual Aid.

I have etc.

FREDERIC HUDD
for the High Commissioner

1108. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2105 Washington, April 19, 1945

IMMEDIATE. SECRET. The Head of the United Kingdom Treasury delegation, the United Kingdom member of the Combined Civil Affairs Committee, and representatives of the United Kingdom Embassy met this afternoon with the Ambassador, General Letson, Colonel Sale, and Ritchie to discuss a draft of an aide-mémoire which the United Kingdom Government are proposing to submit to the State Department and to the Canadian Government concerning arrangements for financing Military Relief after the present loss limit of $400,000,000 is reached.

This aide-mémoire proposes that the United Kingdom share of the ultimate loss on supplies provided beyond the present loss limit shall "not exceed the proportion which the value of supplies and services made available from the

[66] Aucun document avec ces renseignements ne fut trouvé.
No document with such information was located.

United Kingdom and Colonies bears to the total value of supplies and services from all sources". In the light of the last paragraph of your EX-1492[67] this proposal may not come as a complete surprise.

In the discussion it was stated quite frankly that the proportion of all supplies which will come from the United Kingdom during the latter half of 1945 will be very small indeed as stocks in the United Kingdom will have been virtually exhausted, and the contribution from the Colonies can not be very significant. Although no estimate of the proportion is possible, it was suggested that the percentage might actually be as low as one per cent or two per cent. The proportion may well turn out to be considerably higher, but there is no possibility that it will reach anything like 25 per cent.

The full text of the proposed aide-mémoire is reported in a following teletype.†

The United Kingdom representatives are anxious to submit this aide-mémoire to the State Department at the earliest possible moment in order that it can be taken into account by the War Department in the request which is to be made shortly for a new Military Relief appropriation. They have been instructed to ascertain the views of the Canadian Government before submitting even the preliminary draft to the State Department. We should, therefore, be grateful to have your views on this draft by Monday, April 23rd, if at all possible.

If we secure any further information or develop any views which might be helpful in your consideration of the proposal, we shall report them to you this Friday.

1109. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State
for External Affairs to Ambassador in United States

TELETYPE EX-1563 Ottawa, April 23, 1945

IMMEDIATE. Your WA-1971 of April 13th, military relief.

It would be in order for you to reply to the State Department expressing the willingness of the Canadian Government to accept the proposals for joint collection and for holding receipts in suspense in trust for the three Governments. These proposals have been taken into account by the Canadian authorities in the consideration which they are giving to the future financing of military relief supplies, particularly of wheat.

A reply on similar lines may be sent to the United Kingdom Embassy.

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[67] Non trouvé.
Not located.

In view of the aide-mémoire which the Embassy proposes to deliver to the State Department it does not seem expedient to go further in relation to the future of the plan which is coming up for reconsideration at an early date.

Wheat was considered at the Mutual Aid Board meeting this morning and it was decided to finance the provision of a further 500,000 tons during May provided always that it is clear that they will be covered by the existing agreement in regard to sharing the ultimate cost even if delivery takes place after the loss of $400,000,000 has been exceeded.

1110. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-1569 Ottawa, April 23, 1945

IMMEDIATE. SECRET Your WA-2106 of April 19th,† military relief.

The draft aide-mémoire prepared by the United Kingdom was considered today by the Mutual Aid Board and it was agreed that a reply to the request for comments should be framed on the following lines:

1. The Canadian Government agrees that the scheme in its present form should be re-examined now that the loss limit of $400,000,000 has probably been reached.

2. Such commitments as Canada has made have been confined to military relief and do not extend to procurement responsibility for "all civilian supplies furnished on a combined basis outside UNRRA in Europe."

3. In our opinion the plan in its present form might reasonably be prolonged in respect of all supplies delivered for use in liberated areas but terminated in conquered areas including Italy. It is our understanding that, with the possible exception of Albania, these supplies would be destined for countries which will pay for them. It is also our understanding that France and Belgium will make their own arrangements independently of military relief at an early date and it is our view that the Netherlands should be encouraged to take the same course as early as possible. It is also hoped that the military relief period in Norway and Denmark would, if it occurs at all, be of short duration.

4. In our view supplies furnished to displaced persons in Germany or elsewhere should be chargeable to UNRRA which has the duty of looking after these persons. It would seem to us possible that UNRRA could finance an amount of supplies estimated to be that provided by the military authorities to displaced persons, even though in fact the supplies were procured and distributed for a period by the military authorities.

5. If these suggestions are adopted the supplies at present under way can be shipped without risk under the present scheme and there is no danger of the loss limit of $400,000,000 being substantially exceeded.

6. The countries in which losses might occur are Italy and Austria and in our view no supplies should be furnished to these countries under the plan after the loss limit of $400,000,000 has been reached and in no case should any supplies be distributed later than June 30th of this year under the military relief agreement, or shipped later than May 31st for distribution under this plan.

7. It appears to us that such supplies as are needed by ex-enemy countries, including Germany, might reasonably be supplied by the Argentine which could use the enemy assets which it holds in payment for them. In our view it is important that this suggestion should be pressed as strongly as possible with a view to early action and we shall be glad to bring it forward in any discussion that may take place with officials of the State Department. It appears to us to have the double advantage of relieving the nations which have borne the weight of the fighting of an onerous charge and of facilitating the disposal of German investments in the Argentine. What is true of the Argentine may be true in lesser degree of some other Latin-American countries.

8. It should be made clear that Canada could not accept a share of the ultimate burden commensurate with the value of the supplies and services made available from Canada, as by the nature of the case Canada is likely to be the source of large quantities of supplies if these cannot be obtained from the Argentine. There is, in our view, no reason why Canada should be asked to bear a share of the ultimate burden commensurate with these supplies. Moreover, we could not participate in an arrangement under which all other major participants limited their share of the ultimate burden to what is commensurate with the value of supplies and services which they furnish, as the effect of this would be to leave Canada to finance a share approximately commensurate with the supplies having to be obtained from Canada.

9. It should also be emphasized that we feel that we should not be asked to furnish supplies if there is any doubt as to where the ultimate burden of financing is to fall and for this reason it is important that supplies should not be sent forward under the present plan after the loss limit has been reached if either the United Kingdom or the United States may have any ground for assuming that it is no longer bound to bear its agreed share of the ultimate losses.

10. It is noted that the aide-mémoire makes no reference to Germany. You might enquire informally if the reason is that it is not expected to distribute any military relief to civilians in that country or if the reason is that there is ground for believing that the cost of military relief can be given effective priority over reparations and that there will, therefore, be no loss incurred by the supplying countries.

1111. DEA/2295-AH-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 1168 London, April 25, 1945

Your telegram No. 975, April 24th,† financing of military relief.

It is regretted that Dominions Office reply† received some days ago, was not cabled to you before this. The relevant paragraph reads as follows, Begins:

The United Kingdom Government are glad to learn that the Canadian Government agree with the proposals contained in the Dominions Office memorandum of February 12th,[68] and they have taken note of the reservations of the Canadian Government set out in your letter.[69] Ends.

MASSEY

1112. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2207 Washington, April 25, 1945

IMMEDIATE. FOR IMMEDIATE ACTION. Following for Angus from Ritchie. Begins: Your EX-1569 of April 23rd, Military Relief.

Beamer, Sale and I met yesterday afternoon with the United Kingdom representatives for a preliminary discussion of your comments on the United Kingdom draft aide-mémoire.

Before mentioning the points on which the United Kingdom representatives requested clarification I should attempt to answer the question asked in your paragraph No. 10 concerning intentions with respect to Military Relief for German civilians. You will have seen our despatch No. 961 of April 12th† enclosing a draft cable,† which has now been approved and despatched by the Combined Chiefs of Staff, authorizing the Theatre Commander to distribute to the German civilian population the minimum quantity of supplies which may be necessary to "prevent disease and such disorder as might *seriously*[70]

[68] Voir la pièce jointe, document 1086.
See enclosure, Document 1086.

[69] Voir le document 1094.
See Document 1094.

[70] Ce mot était souligné dans l'original.
This word was underlined in the original.

endanger or impede military objectives." The volume of supplies which will be required for this purpose is of course not known.

The United Kingdom representatives at the meeting reported in our WA-2105[71] considered it essential that relief required for distribution in Germany both before and after the division into zones be provided on a combined basis in order to maintain some uniformity of treatment throughout the several zones west of the Elbe. They argue that the consequences would be disastrous if the food deficit area assigned to the United Kingdom were to be dependent entirely on supplies available through the United Kingdom. Concerning the likelihood of repayment for such minimum supplies as may be provided before and after the division of Germany into zones we are informed that the United States representatives submitted a paper to the European Advisory Commission recently proposing that Military Relief charges be regarded as a first claim against German assets. The United Kingdom of course support this proposal. Mr. Brand, Head of the United Kingdom Treasury Delegation here, informs us that the United Kingdom Government is not optimistic at the prospect of anything like full repayment for relief supplies provided to Germany. You will recall Sir John Anderson's views on the likelihood of repayment as reported in your EX-1492 of April 17th.[72]

The two principal points on which the United Kingdom representatives desire clarification are:

(a) Is paragraph 9 to be interpreted as meaning that when the United Kingdom aide-mémoire is submitted to the State Department, proposing what amounts to a reduction in the United Kingdom share of the ultimate cost above the $400,000,000 limit, the Canadian authorities would not be prepared to finance the procurement of any supplies after the $400,000,000 loss limit has been reached unless:

1. A satisfactory new agreement for the continuance of Military Relief beyond the $400,000,000 loss limit has been negotiated by that time, or

2. If such an agreement has not been reached by that time, arrangements have been made to ensure that the share of losses incurred beyond the $400,000,000 limit to be borne by Canada will not exceed 8 percent until a satisfactory agreement for the continuance of Military Relief has been completed?

The United Kingdom representatives are most anxious to have your interpretation of this paragraph today as they are withholding the presentation of their aide-mémoire until they receive your reply.

(b) Your views on the United Kingdom suggestion that the field of activities of UNRRA be extended to cover the civilian population in Italy and Austria would be appreciated. Would the Canadian Government be prepared to support such a proposal if it were to be made at the UNRRA Council meeting in July? It is recognized that acceptance of such a proposal by the Council

[71]Document 1108.
[72]Non trouvé.
Not located.

would require additional financial contributions from the members of UNRRA but presumably your proposal that UNRRA take over the financial responsibility for furnishing supplies to displaced persons would also entail an increase in the financial contributions to UNRRA from Canada and other countries.

If an answer to this question also is possible today the United Kingdom representatives would be grateful as it would assist them in assessing the probable consequences to follow the submission of their aide-mémoire. Ends.

1113. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-1603 Ottawa, April 25, 1945

FOR IMMEDIATE ACTION. Following for Ritchie from Angus, Begins: Your WA-2207 of April 25th, military relief.

1. In view of the information concerning the probabilities of supplies being needed for use in Germany, I am more puzzled than ever that all reference to Germany should have been omitted from the aide-mémoire prepared by the United Kingdom.

2. You are substantially correct in your interpretation of paragraph 9 of EX-1569 of April 23rd. If Canada where to continue to finance the procurement of supplies after the $400,000,000 loss limit had been reached without any assurance that the United Kingdom and the United States would continue to bear the agreed shares of the loss, we should be in some danger of incurring 100% loss on any supplies to non-paying destinations.

3. The Mutual Aid Board did not reach any decision with regard to the suggestion that the field of activities of UNRRA should be extended to cover the civilian population in Italy and Austria. It is my personal view that any proposal of this sort would have to take a more precise form before the Canadian authorities would undertake to support it. It seems obvious that if UNRRA were to undertake these duties it would require further funds and, therefore, the merit of the proposal would depend in large measure on the willingness of member Governments to supply the funds. The aide-mémoire explains that the United Kingdom's commitment would be limited and it might well be that the only Governments offering substantial financial assistance would be the United States and Canada. It seems very likely that wheat alone which Canada would be asked to supply would exceed any reasonable contribution by Canada and would, therefore, be a strain on whatever free funds other countries might supply. Having regard to the probable magnitude of the contributions this would mean, in practice, that we should have to rely on free funds supplied by the United States for payment of any wheat sent in excess of the Canadian contribution. It must also be remembered that it would

be some time after the Conference in July[73] before the financial commitments of the countries concerned would be definitely known. It seems to follow that even if the question of extending UNRRA's activities to cover Italy and Austria comes up for discussion at the meeting in July, it will be some time before any firm agreement can be reached. There would, therefore, of necessity have to be some interim agreement to cover the period subsequent to the loss limit of $400,000,000 being reached and the inception of UNRRA's activities. No country would be in a hurry to terminate this interim agreement if the new UNRRA agreement were to be more onerous in character.

4. The suggestion that UNRRA should take over financial responsibility for supplies furnished to displaced persons does not seem to raise the same problems. UNRRA has very definite functions in respect of displaced persons and no country has ever taken any objection to UNRRA funds being used for helping displaced persons. If supplies are furnished to those persons under military relief either no bill is presented to anyone in which case there is a 100% ultimate loss in respect of the supplies, or bills are presented to someone. Perhaps you can find out what the practice is or is expected to be. Our proposal was that bills should be presented to UNRRA for supplies furnished to displaced persons even before UNRRA itself took charge of their movements. If this charge were to result in the depletion of UNRRA's funds while its functions were still unperformed no doubt a further appeal to member countries would have to be made, but this would be an appeal in respect of UNRRA's agreed functions and not in respect of novel functions about the assumption of which there might be disagreement among the member countries.

5. You will understand that this is of necessity a rough and ready answer to your teletype given without opportunity for consultation with others. Ends.

1114. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 1102 Washington, April 30, 1945

Sir,

I have the honour to refer to your teletype EX-1653 of April 27th† and a subsequent telephone conversation with Mr. H. F. Angus of the Department concerning the reply to be made by the Canadian Government to the State Department's aide-mémoire of March 3rd on the tri-partite agreement for financing the provision of military relief supplies.[74]

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[73] En effet, la troisième session du Conseil d'UNRRA a eu lieu à Londres du 7 au 21 août.
In fact, the Third Session of the UNRRA Council took place in London August 7 to 21.

[74] Voir le document 1090.
See Document 1090.

2. I am now enclosing three copies of the memorandum which this Embassy submitted formally to the State Department on April 28th.

I have etc.

M. M. MAHONEY
For the Ambassador

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de l'ambassade aux États-Unis au département d'État des États-Unis

Memorandum from Embassy in United States to Department of State of United States

Washington, April 28, 1945

With reference to the aide-mémoire dated March 5, 1945 from the Department of State the Canadian Embassy has been instructed to reply that the Canadian Government received a memorandum from the United Kingdom Government under date of Feb. 12, 1945[75] in which were set forth the recommendations of the United Kingdom Government as to the manner in which the ultimate burden of the cost of the provision of civilian supplies on a combined basis to liberated and conquered areas in Europe should be borne, so far as the burden does not fall on the United Nations Relief and Rehabilitation Administration.

In replying to this memorandum the Canadian Government informed the United Kingdom Government that the Canadian Government is in general agreement with the recommendations made in the memorandum under reference,[76] subject, however, to the following reservations:

1. In the absence of a firm assurance from the Government of the United Kingdom and Government of the United States that they will make whatever payments may be necessary to ensure that the ultimate deficit will be shared in the proportions agreed on if the division of receipts collected from recipient governments does not produce this result, the Canadian Government cannot undertake to bear a share of the financing of the original procurement of the supplies disproportionate to the shares borne by the other two governments.

2. As the original offer of the Canadian Government contemplated a contribution to the cost of military relief rather than to the cost of the provision of civilian supplies on a combined basis to liberated and conquered areas in Europe insofar as the burden does not fall on UNRRA, the Canadian Government cannot undertake any commitment in respect to any projects for furnishing supplies on a combined basis which go beyond the provision of

[75] Voir la pièce jointe, document 1086.
See enclosure, Document 1086.

[76] Voir le document 1094.
See Document 1094.

military relief unless those projects are expressly approved by the Canadian Government.

The United Kingdom Government has acknowledged receipt of this reply, taking note of the reservations of the Canadian Government.[77]

The Canadian Government accepts the suggestion that the proposals contained in the United Kingdom memorandum of February 12, 1945 should be regarded as constituting an agreement among the three governments. Since, as was anticipated in the preliminary discussions, the Canadian acceptance is subject to qualifications, it will be appreciated if the Canadian Embassy might have a reply from the Department of State taking note of the Canadian reservations.

1115. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1358 Washington, May 3, 1945

IMMEDIATE Following for Angus from Beamer, Begins:

1. United Kingdom representatives report that their proposed aide-mémoire regarding further participation in military relief has been referred back to London for reconsideration on the following grounds:

(a) They are concerned about the Canadian attitude as expressed in your EX-1569 of April 23rd and EX-1603 of 25th April which they regard as somewhat extreme.

(b) They believe that it would be preferable for United Kingdom not to adopt such an extreme position as that expressed in their proposed aide-mémoire.

(c) They wish to take account of differences of opinion which they know exist within the War Department regarding the continuance of combined command in north-west Europe. Their present expectation is that further instructions will be received from London within four or five days.

2. United Kingdom representatives believe that London's reply may direct that they should simply express to United States their desire to negotiate an agreement for the combined provision of supplies beyond the limitations of the present agreement and a willingness to continue to make contributions during the period of negotiations. They believe that London will prefer not to include any reference to the terms on which they propose to negotiate.

3. In accordance with our telephone conversation of this morning I asked that they also take into account the Canadian Government's intention not to contribute supplies beyond the four hundred million dollar loss limit unless and

[77] Voir le document 1111.
See Document 1111.

until a satisfactory agreement has been reached on the provision of military relief supplies beyond that limit. I added that it is our view that the limit is being approached and will be reached very shortly and that we will be governed accordingly.

4. United Kingdom representatives propose to communicate to London the position of the Canadian Government with a view to hastening United Kingdom action.

5. In view of this we suggest, and Ritchie concurs, that we would be well advised to refrain from taking any further action for the present unless the United Kingdom reply is unduly delayed. Ends.

1116. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2511 Washington, May 12, 1945

IMMEDIATE. Following for Angus from Ritchie, Begins: Our WA-2475 of May 10th,† Military Relief.

Beamer, Sale and I met with the United Kingdom representatives after their meeting yesterday and were provided with copies of the draft aide-mémoire† which they are proposing to present to Mr. Clayton, Assistant Secretary of State on Tuesday, May 15th. We have received also copies of the statement† of the United Kingdom position which they will hand to the State Department representatives when they formally submit their aide-mémoire.[78] In presenting their aide-mémoire the United Kingdom representatives will orally notify the State Department that the Canadian Embassy is being informed that such an aide-mémoire has been presented. The text of the draft aide-mémoire is reported in my following teletype WA-2512.† The statement of the position which the United Kingdom will take in the negotiation to follow is reported in my subsequent teletype WA-2513.†

Presumably we should submit to the State Department at about the same time or shortly thereafter an aide-mémoire expressing our desire, in view of the fact that the $400,000,000 loss limit has now been virtually reached, that negotiations among the three Governments should be initiated immediately concerning the basis on which relief supplies above the present limit are to be provided.

We shall be grateful to have your views as to the appropriate form and content of such an aide-mémoire. You will wish to consider also whether or not

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[78] Voir États-Unis, *Foreign Relations of the United States*, 1945, volume II, Washington, U.S. Government Printing Office, 1967, pp. 1090-5.
See United States, *Foreign Relations of the United States*, 1945, Volume II, Washington, U.S. Government Printing Office, 1967, pp. 1090-5.

we should submit a detailed statement of our position when we present the aide-mémoire. When you have examined the statement which the United Kingdom representatives have prepared you may consider it unnecessary for us to make specific proposals at this time and may prefer to introduce the various Canadian proposals during the course of the actual negotiation.

We shall provide you on Monday with any suggestions which we may have. In addition I understand that Colonel Beamer will be in Ottawa early in the week and that he hopes to see you, probably on Wednesday. Ends.

1117. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-1842 Ottawa, May 15, 1945

Following for Ritchie from Angus. Your WA-2511 of May 12th Military Relief.

It would be desirable to present an aide-mémoire to the State Department shortly after the presentation of the United Kingdom aide-mémoire. It can be very brief and can place the emphasis on the immediacy of the problem as a difficult situation will arise if any supplies are furnished to non-paying countries after the limit of anticipated loss has been passed and before any new agreement has been made.

There is no need for us to produce a detailed memorandum corresponding to the United Kingdom memorandum set out in your WA-2513,† particularly as the United Kingdom proposals in their present form correspond fairly closely with our own. When the time comes we must make it clear that we should expect that our share of the risk of Germany's being unable to pay in full for relief supplies should be less than 8 percent of any residual loss and it may also be expedient to suggest that the date of the transfer of financial responsibility to UNRRA for relief in Italy and Austria should be fixed so that there will be no gap to be bridged between it and the date at which the $400,000,000 loss limit has been reached. It is the existence of gaps of this sort which would make it difficult for us to furnish supplies without reaching a clear-cut, binding agreement with the other two countries.

When you are in a position to express an opinion on the following points I would be glad if you would do so;

(1) The probable date of tripartite discussion;

(2) The possibility of an early approach to UNRRA in respect of financial responsibility for supplies furnished to displaced persons;

(3) The willingness of the State Department to conclude a new and binding agreement. Ends.

1118. DEA/2295-BH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-1882 Ottawa, May 16, 1945

IMMEDIATE. Following for Ritchie. Your WA-2548† and our EX-1842 of May 15th, Military Relief.

Please present an aide-mémoire to the State Department as soon as possible in substantially the following terms:

"The Canadian Ambassador presents his compliments to the Secretary of State and has the honour to refer to the arrangements which have been in effect covering the provision of military relief supplies to liberated and conquered areas.

These arrangements have up to the present served to maintain a flow of essential supplies to liberated areas and to conquered areas during the period of military operations.

It now appears likely that the total amount of supplies covered by these arrangements will shortly have been provided and that irrecoverable expenditures have probably already reached the stipulated figure of $400,000,000 at which point it was agreed that the position should be re-examined.

In the light of these considerations and the change in conditions resulting from the end of European hostilities, it appears desirable that discussion be initiated immediately to re-examine the position bearing in mind the continuing need for military relief supplies."

The above was drawn up in consultation with Colonel Beamer who will develop with you the line we have suggested to be followed in the discussions.

We agree as to the desirability of having representatives of the three countries meet in Washington for the purpose of reaching agreement on recommendations to be made to the three Governments. Ends.

1119. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2617 Washington, May 18, 1945

IMMEDIATE. Following for Angus from Ritchie. Begins: Your EX-1882 of May 16th, Military Relief.

In accordance with your instructions I left with Mr. Mason, Deputy to Assistant Secretary Clayton, late yesterday an aide-mémoire in the terms which you suggested. Mason has been given the responsibility on the United States side for handling the negotiation of the new arrangement.

In my conversation with Mason I emphasized the desirability of starting and completing the negotiation in the shortest time possible in order to avoid any gap between the exhaustion of the resources available under the present arrangement and the completion of the new agreement. In accordance with your EX-1842 I pointed out that the existence of such an gap would make it difficult for us to continue furnishing supplies without a clear-cut, binding agreement with the United States and United Kingdom.

Mr. Mason indicated that the United States authorities appreciated the seriousness of the difficulties which would arise if agreement on the new arrangements were to be delayed. He assured me that the United States Government agencies concerned were giving urgent consideration to the proposals put forward by the United Kingdom earlier in the week together with the views which had been developed previously on the United States side. He indicated that the United Kingdom proposal concerning the transfer to UNRRA of responsibility for Italy and Austria appeared to him to present very serious difficulties. He was not at all confident that the United States Congress would be prepared to make the necessary additional contribution to UNRRA although he recognized that any alternative proposal to meet the situation might be even less attractive.

I enquired whether the United States authorities intended to negotiate the new arrangements through exchanges of papers with the Canadian and United Kingdom Embassies or whether they planned to arrange a meeting of representatives of the three Governments to reach agreement on recommendations to be made to their respective Governments. I indicated that we would be inclined to prefer the latter procedure as we feel that it would be likely to result in satisfactory agreement in shorter time. Mr. Mason said that the United States side had not yet reached any conclusion as to the best procedure for negotiating the new arrangements. I remarked that if they were to decide that a tripartite meeting to negotiate the agreement ad referendum should be held in Washington we should be grateful to receive as much advance notice as possible in order that the appropriate officials from Ottawa might make the necessary arrangements to participate in the meetings. I added that we are prepared to join in such negotiations almost immediately in view of the urgency of the problem. Mr. Mason telephoned this morning to say that he would like to meet with a representative of this Embassy and of the United Kingdom Embassy at 3:00 p.m. tomorrow afternoon to discuss the procedure to be adopted in negotiating the new agreement. I shall attend this meeting and shall report the results to you. I hope that the discussion at this meeting will enable me to answer at least partly the three questions asked in your EX-1842.

In conclusion Mr. Mason enquired what position the Canadian Government was likely to take in the forthcoming negotiations. I remarked that of course much would depend on developments during the negotiations but I had every

reason to expect now that the Canadian authorities would not be prepared to accept 8 percent of the residual loss on supplies to be provided to ex-enemy areas and that we would almost certainly not be prepared to accept a share of the loss proportionate to our share in procurement in view of the fact that such a large part of the supplies required would be of such a nature that Canada might be regarded as the logical source. I added that we should hope to see some of the other United Nations brought in to arrangements for providing supplies and sharing losses. Ends.

1120. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-1912 Ottawa, May 19, 1945

Following for Ritchie from Angus, Begins: My EX-1842 of May 15th, military relief.

The following statement of the Canadian position in relation to this question has been prepared as a counterpart of the United Kingdom statement[79] contained in your WA-2513 of May 12th.[†]

1. We should distinguish as the United Kingdom does between the procurement responsibility for the provision of supplies on a combined basis and the ultimate financial responsibility. If a satisfactory settlement can be reached on the latter point we should be prepared to continue the existing procurement arrangements. It is, however, desirable to repeat that in accordance with our reservation to the original agreement the provision of civilian supplies which go beyond military relief, though they may fall within the wider formula of "Civil Affairs supplies furnished on a combined basis (outside UNRRA)," will require special consideration in individual cases.

2. If procurement arrangements continue it is necessary to consider next what arrangements should be made regarding ultimate financial responsibility. This is the same thing as considering who is to meet the various bills presented for military relief supplies and who is to meet the deficit if some of these bills are not paid or are only partially paid.

3. For convenience we may take the areas in the order used in the United Kingdom statement:

A. SHAEF area:

(I) Liberated countries in N.W. Europe

[79]Voir États-Unis, *Foreign Relations of the United States*, 1945, volume II, Washington, U.S. Government Printing Office, 1967, pp. 1090-5.
See United States, *Foreign Relations of the United States*, 1945, Volume II, Washington, U.S. Government Printing Office, 1967, pp. 1090-5.

As the bills presented to these countries are likely to be paid in full, with the possible exception of the bills presented to Denmark which will not be for any large amount, we should have no objection to the existing arrangements continuing in respect of these areas and we may well take the position that the plan should remain unaltered in respect of these friendly countries. As our preference is for dealing direct with recipient countries, we should prefer as early a termination as possible of the military responsibility in each area but we recognize that the date of termination must be set to meet the convenience of the military authorities and the Government of the country concerned.

(II) Conquered territory in N.W. Europe

While we agree that the cost of supplies sent to this territory should be a first charge on Germany's capacity to make foreign payments, we are not at all clear to what authority or authorities bills will be presented for supplies furnished to Germany. We agree that Germany should be dealt with essentially as a problem on its own and one of the principal reasons for taking this position is that the provision of relief in Germany is intimately bound up with other questions of policy concerning that country, such as reparations, disarmament, the division of occupation zones and the general direction of economic activities. We do not consider that it is necessary to await a decision on these questions before discussing the provision which must be made against the contingency that Germany may not ultimately be able to pay in full. We consider that as many nations as possible should share in this financial risk and that the countries receiving reparations payments from German sources cannot reasonably dispute their duty to share in it. We consider that the proportions in which it is equitable that the countries should share are substantially the same as those used for UNRRA assessments, namely, a uniform percentage of the national income of the countries, with allowance for the special economic or financial difficulties of individual countries. We should ourselves probably be willing to participate in such an arrangement, provided that there are a number of countries participating of which the United States is one. An attempt should be made to obtain special action by the Argentine and other countries holding substantial German assets by which these assets could be made available for payment for relief supplies. The same result would be achieved, of course, if the assets ultimately became available for reparations and the relief deficit was made a priority charge on the reparations. In the case of the assets in the Argentine and other countries which have not themselves substantial claims against Germany it might be a suitable arrangement if the money could be spent on buying supplies within the country in which the assets are held. We consider that the willingness of the Argentine and other countries to co-operate in this way should be ascertained immediately in order that we may form a clearer idea of the magnitude of the problem which confronts us. Account should be taken of any contributions from such sources as these in considering the size of the deficit which may eventually have to be met by the arrangements which we are considering.

(III) Displaced Persons in conquered territory in N.W. Europe

We agree that UNRRA should assume financial responsibility for all supplies provided to such persons. We think that this responsibility should be retroactive, that is to say, that UNRRA should pay all bills presented in respect of supplies furnished to these persons. We also consider that immediate steps should be taken to make the necessary arrangements with UNRRA as it seems to us doubtful if there is any need for this matter to be discussed specially at the July meeting of the UNRRA Council. Failing such an arrangement with UNRRA, it seems to us that the bills in respect of supplies furnished to displaced persons in Germany should be dealt with in the same way as bills for supplies furnished to Germans and that they should be a first charge on Germany's capacity to make foreign payments. Failing payments by Germany, bills should be presented to the countries of which displaced persons are nationals.

B. SACMED area:

(I) We agree that there is no need to deal specially with Greece, Yugoslavia and Albania since the responsibility in these countries is passing to UNRRA.

(II) Italy and Austria: We agree that it would be entirely appropriate to extend the field of activities of UNRRA both to Italy and Austria and that a proposal on these lines should be considered at the UNRRA Council meeting in July. We think that member countries might be approached in the interval to ascertain if they would look favourably on such a proposal and, assuming that it were adopted, if they would be prepared to contribute to the special fund which UNRRA would no doubt have to raise for dealing with these countries. Canada would probably be prepared to contribute to such a fund, provided that a number of countries did so and that the normal subscriptions were related to national incomes with consideration for the peculiar difficulties which may confront certain countries. We agree that countries not at present members of UNRRA should be approached on this subject and we feel that some of them may be prepared both to contribute to UNRRA's general funds and to contribute to this special fund as well. We can see that it might excite some opposition if they were asked to contribute to the latter and not to the former. It is hardly necessary to add that we do not consider that the fact that Canada is the first country to exhaust its original contribution to UNRRA by providing the necessary supplies and services should be a reason for increasing the relative scale of our contribution. If the Council of UNRRA agrees to assume this responsibility, it is hoped that the financial arrangements can be made retroactive so as to begin when the loss limit under the present scheme is reached. We agree that procurement responsibility should continue to be discharged by the military authorities until suitable arrangements can be made for UNRRA to take over. In the event of UNRRA being unwilling to take over these duties, we feel that the countries which are prepared to share in this burden should contribute to it in the same proportions in which they would have contributed had UNRRA acceded to their request. This means that the United States, Canada and the United Kingdom, together with any other

countries willing to be associated with them, would contribute a uniform percentage of their national incomes, except in cases in which individual countries felt that the indicated percentage was too heavy a burden for them to bear.

4. It may be suggested in the course of the discussions that UNRRA should assume in Germany the same responsibilities as in Italy and Austria under the proposals just discussed. We should ourselves have no objection to such a course but we can see that it might occasion difficulties because of the character of the military occupation and of the problems with which the occupying powers must deal. If UNRRA were to assume this burden, we think that a special fund would have to be provided for it seems that the countries willing to contribute to the cost of relief in Germany might well not be identical with the countries willing to contribute to the cost of relief in Italy and Austria.

5. In discussions with UNRRA and with countries invited to contribute to its funds (including the United States, the United Kingdom and Canada) it will be necessary to have some estimate of the amounts involved and an attempt should, therefore, be made at once to estimate how great the cost will be of (a) relief to Italy and Austria; (b) relief in Germany and (c) relief for displaced persons.

6. Although in the preceding proposals we have endeavoured to eliminate any gap between the arrangements for dividing losses under the initial scheme for providing supplies in the amount of $1,000,000,000 and the new plans, it is possible that gaps may occur. It is also possible that physical supplies may have to move for relief purposes before any firm agreement can be reached on new arrangements. It is, therefore, necessary to consider what interim provision should be made for losses incurred during such intervals. We do not think it desirable that these losses should be shared in the ratios 67, 25, 8, since any such proposal would give the United States an interest in protracting negotiations. We realize also that it is too much to ask that the UNRRA ratios should be accepted in advance to cover an interim period since this very acceptance would assume that a new agreement can be reached somewhat on the lines indicated. We should, therefore, be ready to consider if a compromise could be found e.g. in an arrangement by which the present ratios would continue for a limited period and then be automatically superceded by UNRRA ratios. The limited period could be defined by date of shipment or, if it is more convenient to do so, by fixing a relatively low limit to the losses in excess of $400,000,000 which will be borne in the ratios 67, 25, 8. As we feel that this interim arrangement may be of great practical importance and may have to be discussed before the main issues can be explored, we think that it would be desirable if you took it up informally with the United Kingdom representatives in order to ascertain the sort of arrangement which would be acceptable to them, bearing in mind that no one of the three countries will wish to be compelled to hold up physical supplies because of the financial uncertainties. Ends.

1121.

DEA/2295-AH-40

Mémorandum du département d'État des États-Unis à l'ambassade aux États-Unis

Memorandum from Department of State of United States to Embassy in United States

Washington, May 26, 1945

The Department of State acknowledges the receipt from the Canadian Embassy of a memorandum dated April 28, 1945,[80] in which is set forth the general agreement of the Canadian Government with the recommendations which were contained in identical memorandums presented on February 12, 1945 by the British Embassy at Washington to the Canadian Embassy and the Department of State.[81] These recommendations, which concern the manner in which the ultimate burden of the cost of the provision of civilian supplies on a combined basis to liberated and conquered areas in Europe should be borne, so far as the burden does not fall on the United Nations Relief and Rehabilitation Administration, were accepted by the Government of the United States in communications addressed to the Canadian and British Embassies on March 3, 1945.[82]

The Department of State takes note of two reservations made by the Canadian Government with respect to the aforementioned recommendations. These reservations relate to the inability of the Canadian Government, in the circumstances, to undertake to bear a share of the financing of the original procurement of military relief supplies disproportionate to the shares borne by the governments of the United States and of the United Kingdom; and to the understanding of the Canadian Government that the provision of civilian supplies under the terms agreed with the Governments of the United States and of the United Kingdom shall not extend beyond the provision of military relief supplies unless such extension, for the purposes of this agreement, is expressly approved by the Canadian Government.

[80] Voir la pièce jointe, document 1114.
See enclosure, Document 1114.
[81] Voir la pièce jointe, document 1086.
See enclosure, Document 1086.
[82] Voir le document 1090.
See Document 1090.

1122. DEA/2295-AH-40

L'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures[83]

Special Wartime Assistant to Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs[83]

CONFIDENTIAL Ottawa, June 5, 1945

Dear Mr. Robertson,

I am enclosing a copy of an interim report on discussions concerning the financing of military relief which are to be resumed on June 13th. I should greatly appreciate any comments that may indicate the line that I should take at that time. It is, of course, impossible to ask for a decision under the present circumstances regarding Canada's willingness to make a further contribution to UNRRA if other countries do so too. However, Bryce arranged for me to discuss this matter with Mr. Ilsley and I asked him if I might proceed on the assumption that there was a sufficient probability of our being willing to make a further contribution to make it worth while considering proposals for turning relief in Italy over to UNRRA. He agreed.

You will see from my report that the winding up of military relief is really a matter of bridging the gap between this relief and the assumption of responsibility by some other agency such as UNRRA.

I understand that the meeting of the UNRRA Council in London is postponed at the request of the British until August 7th. I am inclined to think that an effort should be made to have the question of UNRRA's future scope and of the financial provision for UNRRA thoroughly discussed at that meeting. This would give it an importance that does not seem to be contemplated at the present time by the Director General, who speaks of a short but important business meeting. From the UNRRA Resolutions it is clear that the Director General ought to present a programme of operations though he did not do so in Montreal. It is provided by the UNRRA Agreement itself that the initiative in asking for further funds should come from the Director General. There is, however, practical difficulty. The funds which are needed depend on the functions which are assumed. The functions which are to be assumed depend on decisions of the Council. The Director General can, if he chooses, claim that the initiative in indicating the functions must be taken by the Council and that his own initiative is limited to the mechanical duty of asking for the funds which are necessary to carry out those functions.

If on June 13th the State Department officials are prepared to proceed with military relief plans on the assumption that the United States is prepared to make a further substantial contribution to UNRRA—possibly a contribution of the same magnitude as the first—I think that we should ask that steps

[83] N. A. Robertson était alors à la Conférence de San Francisco.
N. A. Robertson was then at the San Francisco Conference.

should be taken at once to bring this matter to the attention of UNRRA and to the attention of member governments in order to ensure a thorough and effective discussion in London.

I am sending copies of the report to Canada House, to the Department of Finance and to Heeney.

Yours sincerely,

H. F. ANGUS

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de l'adjoint spécial en temps de guerre au sous-secrétaire d'État aux Affaires extérieures

Memorandum by Special Wartime Assistant to Under-Secretary of State for External Affaires

Ottawa, June 5, 1945

REPORT ON DISCUSSIONS CONCERNING THE FINANCING OF MILITARY RELIEF WHICH TOOK PLACE IN WASHINGTON ON MAY 25TH TO 30TH INCLUSIVE

1. The discussions were initiated as a result of an approach made by the British to the State Department asking for reconsideration of the military relief plan in view of the fact that the loss limit of $400,000,000 had probably been reached. The Agreement itself would terminate when the total quantity of supplies shipped reached $1,000,000,000 and it is probable that this limit will be exceeded before July 1st.

2. The British had communicated to us in advance their general proposals. In summary these contemplated the transfer of relief operations to UNRRA wherever this course was possible and the charging of relief costs in Germany to German exports. The British contended that they were unable to contribute to the ultimate cost of further relief, except in so far as goods and services could be supplied from United Kingdom sources.

3. On behalf of Canada the contention was advanced that, while we have borne 8% of the ultimate loss in the case of military relief, we should not be asked to bear as high a percentage of the relief operations which were necessary in the period of transition from military relief to UNRRA. Indeed, in the Agreement itself we had made a reservation that we were not committing ourselves to participate in combined relief outside UNRRA and that anything going beyond military relief required special authorization by Canada.

4. The United States authorities were inclined to contend that the Agreement would continue until it was superseded but they produced proposals which went a long way to meet the British and Canadian positions. As it became evident that effect could not be given to these proposals unless additional funds were made available for UNRRA, the discussions have been adjourned in order to give the United States representatives time to explore the possibility of further support being offered to UNRRA. It emerged from the discussions with

UNRRA officials that funds which UNRRA has at its disposal will be fully committed by the end of the present calendar year and that the supplies on hand at the end of the year will move forward in the first few months of 1946. All member countries will, therefore, be faced with a choice between making additional funds available for UNRRA and facing the situation which would be created if UNRRA were to be wound up early in 1946.

5. The scope of the United States proposals can be summarized as follows:

(a) As regards any loss that may occur in excess of $400,000,000, the Canadian share should be decreased from 8% to 5% and the United States share increased from 67% to 70%, the United Kingdom's share remaining at 25%. The United States definitely rejected the Canadian suggestion that the three countries should contribute as they did in UNRRA in the proportions of their national incomes, i.e., roughly in the proportions 78, 18 and 4.

(b) The present type of procurement should be maintained in the case of Belgium, Holland, Norway and Denmark where no loss is anticipated. Belgium and Holland have asked that they should not take over their own procurement until September 1st because they consider that they receive some priorities under military relief. The United States wishes its share of relief to these two countries to take the form of reimbursable Lend-Lease in order to accord to them the same treatment which has been accorded to France after the termination of military relief to that country.

(c) There should be no loss in the case of Germany as it is anticipated that the Control Council will eventually meet all bills for relief supplied to Germany and to displaced persons in Germany. It is anticipated that relief supplies for non-Russian Germany for the fiscal year ending June 30th, 1946, will be largely in the form of wheat and will cost about $150,000,000. The United States proposes that combined procurement should continue as long as SHAEF continues and it is expected that when the Control Council has set up an Export-Import Board it will arrange for the necessary imports. There may be an interval during which there are separate zones of occupation, in each of which the occupying country will make its own supply arrangements, presenting the bills to the Control Council. The effect of these arrangements is that imports into Germany will be paid out of exports from Germany in priority to "recurrent" reparations. At the present time it is not clear whether such German assets as gold and investments abroad will be available to pay for German imports.

While no loss is expected in the case of relief supplied to Germany, it is obvious that the problem of initial financing will remain and it is also obvious that there is a contingent liability involved. I took the position that Canada should not be expected to share in this contingent liability if the loss were to arise on account of some agreement concerning the disposal of German assets for reparations purposes to which Canada was not a party. I pointed out that the United States and the United Kingdom might be prepared to forgo their claim to payment for relief supplies in return for some other concession on the part of claimant countries and suggested that, if they were to make a bargain of this character, they could not expect Canada to contribute to the cost of the

benefits which the United States and the United Kingdom might receive. The argument which I advanced would not cover the case of a failure to collect payment from Germany resulting from guerilla warfare or general disorder in that country.

(d) A somewhat parallel proposal was made in the case of Austria, where it is anticipated that relief for the fiscal year ending June 30th, 1946, will cost $40,000,000 for the area not in Russian occupation. It was suggested that payment should be obtained from Austrian sources if this were at all possible and that UNRRA should take power to go into Austria as soon as the military position makes this course practicable.

(e) It is, therefore, in Italy alone that a substantial deficit is expected. The United States proposal is that UNRRA should be asked to take over relief in Italy as from October 1st, 1945, and that even if UNRRA does not take over on this date the cut-off date for the present financial proposals should be November 1st. It is expected that relief supplied to Italy between July 1st and October 1st will cost $200,000,000. Both the British and ourselves would like UNRRA to take over at an earlier date but it would probably not be practicable to arrange for this. There is a strong objection to asking UNRRA to pay out of its funds for work which it has not itself performed.

UNRRA would have to obtain additional funds either earmarked for Italy or merged in its general resources if it is to become responsible for relief in Italy. UNRRA will also, as has been indicated, have to appeal soon for further funds for tasks which it has already undertaken.

As Mr. Mason of the State Department had asked me to suggest any way in which I thought that other countries than the United States, the United Kingdom and Canada could be induced to participate in the burden of military relief, I advanced the proposal that when the next substantial contribution is made to UNRRA by member countries those countries which will have paid for military relief in Italy between July 1st and the date on which UNRRA takes over should be allowed to count their expenditures as part of their contributions to UNRRA. I did not see that any of the other contributors to UNRRA could reasonably object to this arrangement since the three countries in question would have undertaken the type of relief which it is suitable for UNRRA to provide at a time when UNRRA was unable to act.

The British welcomed my suggestion which would, of course, reduce their share of the $200,000,000 from 25% to 17 or 18%. Assuming that the same countries as before contribute and in the same proportions, the United States share of the losses might rise by 1 or 2% over the 70% proposed, and the Canadian share might fall from 5 to 4% If, however, fewer countries contributed, the United States and Canadian shares might rise somewhat as, of course, they would do if UNRRA were to take over relief at an early date and yet be unable to finance it out of its present funds.

From the Canadian point of view the attraction of my suggestion did not appear to me to be so much financial as political. I explained that I thought it would be easier to ask Parliament to vote money for a second contribution to

UNRRA at a time when other member countries were making similar contributions than it would be to go on paying for relief in Italy out of an Army appropriation. In asking for a vote for UNRRA it would not be difficult to explain that we were including as part of our contribution money advanced for Italian relief during the period in which UNRRA was unable to act.

6. Conversations are to be resumed on June 13th. It is hoped that they will result in proposals which can be submitted to the three Governments for consideration. Canada is not at present committed to participating in relief to Italy which goes beyond military relief and if we do agree to participate in the relief to be provided between July 1st and November 1st (unless UNRRA takes over earlier) I think we should do so on the proviso that, if UNRRA assumes the function of providing Italian relief, Canada reserves the right to treat any expenditure which Canada may have incurred on account of Italian relief subsequent to July 1st as part of any second contribution which Canada may make to UNRRA.

7. In the meantime I think that careful consideration should be given to Canada's relations with UNRRA. It seems probable that a programme of operations will have to be considered at the UNRRA meeting in July or August and that UNRRA will require additional funds. The alternative to making these funds available is a very serious one. Either misery and destitution with all their economic and political consequences would have to be allowed to continue over a large part of the world, or else some alternative to UNRRA would have to be found. It is possible that the decision may be made by the United States where Congress may feel that as that country is such a large contributor it would be simpler if it put matters on a country-to-country basis and made relief available directly to China, Italy and other countries. We cannot seek to influence such a decision in favour of continuing UNRRA's operations unless we are ourselves ready to support UNRRA financially. In our interviews with UNRRA officials it was impossible to obtain estimates of the further expenditures which UNRRA may have to undertake since the scope of UNRRA's operations depends on decisions which have not yet been made. I am inclined to think, however, that the most realistic view is to think of a second contribution by member countries equal in amount to the first contribution and to hope that a third contribution may not be necessary.

1123. DEA/2295-AH-40

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs

Ottawa, June 12, 1945

SUPPLEMENTARY REPORT ON DISCUSSIONS CONCERNING THE FINANCING OF MILITARY RELIEF WHICH TOOK PLACE IN WASHINGTON ON MAY 25TH TO 30TH INCLUSIVE

1. The purpose of this supplementary report is to record the discussions which took place concerning some suggestions which have been made by the Mutual Aid Board.

2. It has been suggested that the cost of displaced persons should be borne by UNRRA and not debited to military relief. Enquiries were made as to how this cost was, in fact, being met. It appears that most of it had fallen direct on the armies of occupation and had not been a charge on military relief. In many cases the supplies were obtained from German sources. UNRRA officials explained that they expected to take over the cost of displaced persons as they took over administrative duties connected with them. It was explained that any costs which fell on military relief, would normally be debited to Germany and be paid for in the same way as relief for the German population. It was considered undesirable to charge UNRRA with costs which it did not itself incur in the course of its operations, particularly as UNRRA's funds are quite inadequate for the duties with which UNRRA is already charged. It is possible that in some cases charges for displaced persons will be made against the countries of which they are nationals but it seems improbable that any loss on military relief operations will arise as a result of supplies furnished to displaced persons.

3. The proposal that the Argentine should be asked to finance shipments of wheat to Germany and to share in the risks of non-payment did not receive much consideration, mainly because it was not anticipated that any loss ought to result from German relief. The question of the disposal of German assets abroad, that is in the Argentine and elsewhere, was discussed only as part of the reparations problem which is being considered elsewhere. It was considered an open question whether or not German assets abroad might be made subject to a charge for German relief. The same is true of German holdings of gold. Neither the United States nor the British representatives at the meeting seemed to be prepared to go very deeply into the reparations question and this question would be a matter of interest to Canada only if Canada were asked to assume financial responsibility in the event of a loss arising out of relief operations in Germany.

4. The discussions did not proceed on the assumption that any such loss was to be anticipated. The relief required for that part of Germany not to be in Russian occupation, during the financial year ending June 30th, 1946, was

estimated at $150,000,000, a third of which would be for the United Kingdom zone of occupation. Both the United Kingdom and the United States representatives pressed their determination to collect this sum from recurrent items in German exports, that is to say, from coal, potash, timber, etc. It was anticipated that the recipients of these products could, even if they were entitled to receive reparations, be asked to pay something towards the maintenance of the German population while exports to other destinations, such as Switzerland, would be paid for in cash. I particularly raised the question of whether sufficient hard currency could be expected from these exports. It is obvious that much will depend on the discussions taking place in Moscow concerning reparations and their relation to the maintenance of the German population during the period throughout which recurrent reparations are being paid.[84] It is hoped that it may be possible to treat Germany as a unit and to draw on food supplies in the Russian zone for people in the western zones. Even if this is impossible, it is hoped that the exports from the western zones will suffice to pay for essential imports, which are at present very narrowly defined. No doubt the countries which will receive reparations, including Russia, will be disinclined to pay for the goods which they receive but it can be pointed out to them that if they wish to obtain coal, it is necessary to see that the miner and his family are fed, and that if they wish to retain manufacturers they must see that the raw material is made available.

1124. DEA/7510-40

L'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-ministre par intérim des Finances

Special Wartime Assistant to Under-Secretary of State for External Affairs to Acting Deputy Minister of Finance

SECRET Ottawa, July 7, 1945

I enclose a copy of an Aide-Mémoire presented by Mr. Munro of the Office of the High Commissioner for the United Kingdom. It follows out of the military relief negotiations and asks that Canada should continue initial financing in the case of any relief supplies furnished for the British zone in Germany. It contains an assurance that the United Kingdom Government is determined to maintain the principle that payment in appropriate currencies for Germany's necessary imports should rank ahead of reparations payments.

While I was in Washington it was explained by Mr. Mason of the State Department that it was the intention that all countries receiving coal from Germany should be required to pay hard currency for it and that this hard currency would be available to pay for necessary imports into Germany from countries requiring hard currency payment. The cost of occupation for the most part could be paid for in marks.

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[84]Voir les documents 868 à 870.
See Documents 868 to 870.

In the course of the negotiations in Washington I made the point which I mentioned at the meeting of the Mutual Aid Board that no ultimate financial burden should fall on Canada if the United States and the United Kingdom Governments were to abandon in the course of negotiations the principle which they say they are determined to uphold. The same reason would apply if they were to give ground on the decision to make importing countries pay hard currency for coal.

I am inclined to think, therefore, that it would be advisable to reply to Mr. Munro that, as his Aide-Mémoire does not deal with the possibility of the United Kingdom and the United States receding under pressure from the position which they propose to adopt, we should like an assurance that in this event Canada will be relieved from any financial loss in respect of supplies furnished for relief in the British zone of occupation.

I do not know whether the question, arising as it does out of the military relief negotiations, should properly be dealt with by the Mutual Aid Board or whether it is one that falls entirely within the scope of the Department of Finance, and am, therefore, not at the present stage sending a copy of this note nor of the Aide-Mémoire to the Mutual Aid Board.

H. F. ANGUS

[PIÈCE JOINTE/ENCLOSURE]

Aide-mémoire du haut commissariat de Grande-Bretagne

Aide-Mémoire by High Commission of Great Britain

SECRET

FINANCE OF PROCUREMENT FOR GERMANY

The question, how imports into Germany are to be financed after the end of administration by SHAEF, is causing anxiety to the United Kingdom authorities.

It is the view of the United Kingdom Government that the best solution of the problem would be an overall arrangement by which the requirements for Germany as a whole were determined centrally on a combined basis and the necessary supplies were made available in accordance with allocations of the Combined Boards against a claim to payment by each supplying country.

It is understood however that such an arrangement is not now possible since the American War Department has already gone to Congress on the basis of obtaining an appropriation for supplies for the American zone only. This being so, it may be necessary to contemplate and to arrange for at least an interim period before the control machinery is properly established, during which the initial financial responsibility would fall on the occupying power in each zone separately.

In this event the United Kingdom Government would greatly appreciate an arrangement by which the Canadian authorities would be associated with them

in the initial financing of supplies needed from Canada for the zone which would be in British and Canadian occupation.

Should the Canadian authorities be prepared to accept this idea in principle the details of the arrangement would be for subsequent discussion. In general terms, the United Kingdom authorities suggest, not that the cost of Canadian supplies for Germany, e.g. wheat, should be met out of the United Kingdom share of Mutual Aid but that Canada would agree to carry the initial financial responsibility as a separate item and would recover payment from Germany in due course.

It is most strongly emphasized that in the view of the United Kingdom any such arrangement should be on the basis that the cost of all agreed imports into Germany would form first charge on Germany's capacity to make foreign payments, ranking ahead of reparations, and that payment should be effectively forthcoming from Germany in currencies acceptable to the supplying countries. This is a principle which the United Kingdom Government is determined to maintain, and it is understood that the American authorities are equally firm on this point.

1125. DEA/7510-40

Mémorandum du ministère des Finances à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Memorandum from Department of Finance to Special Wartime Assistant to Under-Secretary of State for External Affairs

SECRET Ottawa, July 11, 1945

In answer to your note of July 7th, enclosing a copy of an aide-mémoire received from Mr. Gordon Munro of the U.K., I would say first of all that I think this is a matter which will have to go to the Mutual Aid Board, inasmuch as if it does not fall within the category of Mutual Aid, it must be taken as coming within the category of Military Relief, for which, of course, that Board has responsibility under the Order-in-Council passed in March.[†]

As regards the substance of the proposal, I think it would be desirable to know, first of all, whether this division of the zones of occupation is consistent with the understandings reached in your discussions with the State Department in Washington. I had rather got the impression that these discussions contemplated Germany being treated as a unit, at least in respect of questions of imports and exports.

As regards your suggestion that the U.K. should reimburse us for the supplies provided in the event that proceeds are not available from German exports for this purpose, I think your logic is sound, but I am not at all certain that we can gain the point and get the necessary assurance from the U.K. For one thing, they may well take the view that we have some joint responsibility with them in respect of civilian supplies furnished to this occupation zone, as we are sharing in the occupation. Secondly, they may argue that in so far as the first argument does not apply, then these costs of occupation are a

legitimate part of the U.K.'s war requirements and should be taken into account in determining the U.K. requirements for Mutual Aid. They might, under such circumstances, offer to reimburse us in Canadian dollars for our expenditures, but that would simply add to the amount of Mutual Aid we would have to provide in respect of other items. Consequently, the only way in which we could get reimbursement without affecting Mutual Aid would be to ask the U.K. to pay us in U.S. dollars or gold in the event that German exports were not able to provide us with such payment. I am doubtful whether the U.K. would be prepared to agree to this, despite your logic. They might well argue that their intentions were the best but that they were unable to make their views prevail against those of our other Allies.

R. B. B[RYCE]

1126. DEA/7510-40

Le sous-secrétaire d'État aux Affaires extérieures au conseiller financier, le haut commissariat de Grande-Bretagne

Under-Secretary of State for External Affairs to Financial Adviser, High Commission of Great Britain

SECRET Ottawa, July 12, 1945

Dear Mr. Munro,

I am referring to the aide-mémoire on the finance of procurement for Germany, which you handed to Mr. Angus on July 7th. In placing before the appropriate authorities the request that Canada should carry the initial financial responsibility for supplies procured in Canada for use in the zone of Germany which will be in British and Canadian occupation and look to Germany for ultimate payment, it would be helpful if I could have some estimate, however rough and ready, of the probable cost of these supplies. The only figure which I have before me is an estimate of $150,000,000, which covers the essential imports into the non-Russian zones of Germany for the financial year ending June 30th, 1946. The amount of purely Canadian supplies required for the zones in Canadian and British occupation, pending the establishment of a combined authority which would supersede the zones, would obviously be much less, and it might be possible to limit our discussions to a commitment not to exceed a definite sum.

There is a second point in the aide-mémoire on which further information would be helpful. It is stated in the final paragraph that the United Kingdom Government is determined to maintain, and believes that the American authorities are equally determined to maintain, the principle that all agreed imports into Germany should form a first charge on Germany's capacity to make foreign payments and that these payments should be made in currencies acceptable to the supplying countries. If this principle is maintained, the financial provision which Canada is asked to make will not differ substantially from an export credit. There is, however, a danger that the Governments of the United Kingdom and the United States may find it impossible or inexpedient

to maintain this principle in the face of the pressure which may be brought to bear upon them by countries entitled to receive reparations from Germany and by countries in urgent need of supplies from Germany for which they are unable to pay in currencies acceptable to Canada. In the course of recent conversations in Washington Mr. Angus was informed that it was the intention of the Governments of the United Kingdom and the United States that payment should be required in acceptable currencies for all coal exported from Germany. While very little difficulty may be encountered in making this condition effective in the case of coal which goes to such destinations as Switzerland, it may be harder to secure payments from countries which feel that they are entitled to the coal by way of reparation, and from countries such as Italy which are not in a position to make a payment. In these circumstances, it would be useful to know whether the United Kingdom Government is prepared to undertake, in the event of the principle that imports into Germany should be a first charge on Germany's capacity to make foreign payments being abandoned or modified in the course of negotiations to which Canada is not a party, to make some other provision by which Canada would ultimately be paid in acceptable currencies for supplies procured in Canada for use in the zone in British and Canadian occupation.

Yours sincerely,

N. A. ROBERTSON

1127. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-2654 Ottawa, July 19, 1945

Following for Pearson from Angus, Begins: The discussions on military relief finance which I attended early this month in Washington were adjourned in order that the United States representatives might have time to find out what attitude their Government was likely to take towards further contributions to UNRRA on which, in turn, the scope of civilian relief outside UNRRA (or military relief) would depend. The time within which it was hoped to obtain an answer to this question has lapsed and information would be appreciated as to whether or not it has been possible to reach any conclusion.

As things stand at present the position is somewhat as follows:

Military relief arrangements in respect of northwestern Europe will end with the August loadings. It is assumed that these will be self-supporting financially and that the countries concerned will pay in full for the supplies which they receive. Express undertakings, however, have come forward from Belgium and Norway alone. A joint reply to the Belgian communication was under consideration and was to be drafted by Reinstein of the State Department. It is possible that this may now be ready.

With the taking over of the responsibility of displaced persons by UNRRA, any commitment in that direction will come to an end.

In Germany it is hoped that exports will pay for necessary imports and responsibilities have, for the time being at least, been divided on a basis of zones. The Canadian Government has been asked by the United Kingdom if it will accept responsibility for the initial financing of supplies procured in Canada and destined for the zones in British and Canadian occupation.

It is not clear if arrangements can be made by which Austria will pay for relief supplies and it is possible that UNRRA may be asked to accept responsibility for Austrian relief as from some future date. The cost of relief in the meantime remains a contingent liability for military relief finance.

In Italy it is hoped that UNRRA can take over perhaps as from October 1st and the outstanding American proposal is that in the meantime financial responsibility should be shared for the cost of Italian relief in the proportions 70%, 25% and 5%. Pending an arrangement on this point, it is understood that shipments are being kept to a minimum. However, there is also already a substantial deficit to be met in respect of Italy and in excess of the loss limit of $400,000,000, for which provision was made in the original agreement on military relief. It is anticipated that the total liability up to October 1st will be in the neighbourhood of $200,000,000, of which on the above proposal Canada's share will be $10,000,000.

The proposal, however, has not been accepted and I understand from Marris that the United Kingdom position is that United Kingdom liabilities should be confined to those supplies which can actually be furnished to Italy from the United Kingdom, the Colonies and South Africa. It is anticipated that these will amount for the period in question to approximately 12½% of the total in comparison with the 25% called for in the America proposal. Any failure of the British and Americans to reach an agreement on these points may have repercussions as far as Canada is concerned and from our standpoint it is unsatisfactory that the question should remain outstanding indefinitely. The British case, as it is presented, would not link this problem with UNRRA finance, except in so far as special provision will have to be made if UNRRA does not take over by October 1st. The American proposals were to terminate in any event on November 1st so that the whole question would have to be re-examined in the event of UNRRA not assuming responsibility.

The Canadian view, which, as you know, has received some tentative support from United States quarters, is that the UNRRA contributions when made should be treated as retroactive and each country should deduct from the money which it makes available to UNRRA the sums which it has spent on civilian relief after the loss limit of $400,000,000 is reached, that is to say, the contributions which it has made to the relief in recent months, or will make prior to October, of Italy and Austria. Personally, I am of the opinion that the United Kingdom will encounter great difficulty in having its proposal for the apportionment of the cost of relief in Italy accepted and will, therefore, ultimately be driven to concur in the Canadian view, which would establish in respect of this relief the UNRRA proportions in place of those proposed by the

United States. It would also have the advantage of bringing in third countries which may participate in the next subscription to UNRRA. It does, therefore, seem desirable that this question should be faced in advance of the UNRRA meeting and the purpose of this summary is to bring the matter to your attention in the hope that you may be able to make enquiries from the Americans and the British as to the progress of that part of the negotiations which concerns civilian relief outside UNRRA. Ends.

1128. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-3857 Washington, July 21, 1945

IMMEDIATE. Following for Angus, Begins: Your EX-2654 of July 19th, financing of Military Relief. Ritchie and Sale met yesterday at the State Department with Thorpe, successor to Mason, of the Department and Marris of the United Kingdom Embassy together with other United States and United Kingdom civilian and military officials to continue the discussions which you attended earlier this month.

The results of yesterday's meeting are reported below under subject headings corresponding to the paragraphs in your teletype:

1. *Northwest Europe.*

There is nothing new to report apart from the fact that Reinstein of the State Department has not yet received from the Belgian Embassy any note similar to the one received by us. When he receives the Belgian communication he will draft a reply for our consideration.

2. *Displaced persons.*

Arrangements are proceeding for the transfer of administrative, supply, and financial responsibility to UNRRA. There would seem to be nothing that we can do to facilitate this transfer.

3. *Germany.*

There was a lengthy discussion which was not of direct concern to us relating to the procedures to be established for determining requirements and procuring supplies upon the division of Germany into zones of responsibility. As you will have seen from the document accompanying Ritchie's letter of July 18th[†] to you, a Combined Resources Allocation Board (CRAB) has been established for Germany on a temporary basis until such time as the over-all responsibilities can be assumed by the Control Commission. Although CRAB's responsibilities are at present confined largely to internal movements among the three western zones, the suggestion is that the United States, United Kingdom and French authorities may use this machinery for screening import

requirements determined by the Zone Commanders on some common basis to be agreed upon until the quadripartite control machinery for all of Germany comes into operation. Although the arrangements are not yet firm it is expected that the three countries represented on CRAB will have full responsibility on some basis for procuring supplies required for the three western zones. Accordingly direct Canadian participation in the financing of relief supplies for Germany would be confined to the pre-CRAB period which has now been virtually terminated. We shall presumably participate in the eventual collection and distribution of payments for supplies received during this earlier period. Any losses in this earlier period will presumably be shared on the basis to be determined for sharing all losses above $400,000,000 under the combined arrangement, although if such losses occur as a result of deliberate policy decisions by the United States or United Kingdom we presumably would wish to indicate formally at some stage that we would not be prepared to share in such deliberate losses. For the subsequent period (i.e. the CRAB or eventually the quadri-partite periods) it was recognized by the meeting that Canada would have no direct automatic responsibility for financing procurement or for sharing any losses. In these later periods it will be up to the United States, United Kingdom, France, or the U.S.S.R. to make appropriate arrangements with the Canadian Government for financing procurement of supplies required from Canada.

4. *Austria, Italy and UNRRA.*

The United States representatives were not able to say definitely whether they could agree to the inclusion of Austrian relief within UNRRA. They recognized that while an arrangement for extracting reparations from Austria might conflict with any proposal for the provision of supplies to Austria through UNRRA, the two need not be mutually exclusive inasmuch as UNRRA could claim reimbursement as a first charge on Austrian exports ahead of recurrent reparations or other claims. Nevertheless the United States representatives could not indicate definitely that they would sponsor or support a proposal for the inclusion of Austria.

In the case of Italy, despite the fact that the telegrams coming into the State Department from Potsdam indicate that the possibility of reparations demands against Italy is being considered, the United States representatives were prepared to agree that Italy should be brought under UNRRA.

On the general question of the utilization of UNRRA for relief in these and other areas, Thorpe reported that a draft memorandum is now in the final stages of circulation among the United States Departments and that this memorandum, which has encountered no significant opposition so far, will probably be presented to us and the United Kingdom formally within the next few days. This memorandum proposes that the members of UNRRA be asked at the London Council meeting to approve a further contribution to the extent of 1 percent of their respective national incomes and that this percentage shall be subject to revision downward only if a subsequent review by UNRRA when requirements are more definitely known reveals that the full amount will not be

needed. This further contribution would be represented as the amount necessary to complete UNRRA's relief operations in China and other non-European as well as European areas. Recognizing that the United Kingdom would not be prepared to undertake to subscribe more than one-half of 1 percent at the August Council meeting, Thorpe suggested that the proposal to the Council while providing for 1 percent contributions ultimately if necessary might stipulate that only one-half of 1 percent (or preferably six-tenths of 1 percent) need be subscribed immediately and that the subscription of the balance might be delayed until the subsequent review by the Administration of its requirements. The United States representatives expressed the view that they would find it much easier to secure from Congress authorization for 1 percent if they could assure Congress that this amount would represent the last call upon Congress for an UNRRA contribution than they would to persuade Congress to authorize one-half of 1 percent without any firm assurance that no further amounts would subsequently be required. If the proposal were to be adopted the United States Government would request Congress to authorize appropriation of 1 percent and to appropriate one-half of that 1 percent immediately. (As you doubtless know the United States delegation to the Council meeting is to include some seven Congressmen.) Marris was unable to comment on the general United States proposal at the meeting. He indicated that there would probably be no difficulty in representing the proposed United Kingdom contribution as one-half of 1 percent instead of stating it as a flat sum. He thought it possible that if discussion among the United States, United Kingdom and Canada could take place in London during the week before the Council meeting, a form of proposal could be devised which would provide the United States with the necessary assurance that the other Governments would be prepared to subscribe eventually a full 1 percent, if that amount proved necessary, and yet at the same time not commit those Governments to the subscription of more than one-half of 1 percent immediately. Subsequent informal conversations indicate that the United Kingdom might find it necessary to insist that some change be made in the top management of UNRRA before they would be prepared to approve even a contingent commitment of as much as 1 percent of the national income. The United States quite obviously shares the United Kingdom desire for some substantial change in the top direction of UNRRA, but neither the United States nor United Kingdom appears willing at present to propose at the Council meeting the precise change desired.

It was remarked at the meeting that it would clearly be desirable to circulate in advance the resolutions, or at least notice that such resolutions would be proposed, concerning the assumption by UNRRA of responsibility for relief in Italy and Austria. Discussion at the meeting indicated that uncertainty concerning the amount of relief required for these two countries, and the further uncertainty concerning the status of Italy (i.e. whether she is to be regarded as a beneficiary or a member of UNRRA) make it impossible to circulate in advance of the meeting even a description of the resolutions to be

proposed unless they can be circulated to the delegates present in London in the week prior to August seven.

5. *Losses above $400,000,000 under the Military Relief arrangement.*

Neither the United States nor United Kingdom proposes to deduct from its contribution to UNRRA the amount of its share in these additional losses. They apparently feel that such deductions for the benefit of Italy and Austria from the general contributions would aggravate the difficulties in discussing at the Council meeting the further provisions for these two countries. They feel also that the making of such deductions might encourage other contributors to shade their contributions on some basis or other and thus defeat one of the purposes you had in mind (i.e. the securing of maximum participation in relief financing by countries other than the United States, United Kingdom, and Canada). The United States memorandum on UNRRA to which reference was made above will contain also a proposal for distributing losses above $400,000,000 on some compromise percentage basis. The United States representatives could not say definitely what percentages they would be proposing. Reinstein hinted in an informal conversation yesterday evening that the percentage which they will propose for Canada will be no more than the 5 percent which they originally suggested. He was still unwilling to indicate what the precise percentages in the present proposal are, in view of the fact that these percentages might be changed before the memorandum completes its circulation through the United States Department.

We shall forward to you immediately the United States memorandum as soon as it is received. The United States will make every effort to provide us with the memorandum formally before noon of Thursday, July 26th, which is the time for Marris' departure for London. Ends.

1129. DEA/2295-AH-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4183 Washington, August 10, 1945

IMMEDIATE. Following for Pierce from Ritchie, Begins: Our WA-4033 of July 31st, financing of Military Relief supplies.

The third paragraph of my teletype had indicated that the United States side would propose shortly that Military Relief for Italy should terminate on August 31st and that loadings after that date should be financed and arranged through a combined civilian agency (such as the Supplies Sub-Committee of the Combined Liberated Areas Committee) until UNRRA takes over. Informal discussions have been proceeding concerning arrangements which might be made for this hiatus period of uncertain duration between the

termination of Military Relief and the assumption of responsibility by UNRRA. For your information the following is a summary of the present position.

Although the War Department had proposed on July 19th that military responsibility for relief in Italy should terminate with the completion of August loadings and although the theatre Commander has approved termination on August 31st, the Combined Civil Affairs Committee has not yet formally advised the theatre or the Combined Liberated Areas Committee when in fact the military responsibility will terminate. A formal decision is, however, expected momentarily.

In the meantime, the Secretariat of CLAC has prepared a draft paper outlining the procedures which the F.E.A. and War Department have worked out for handling basic relief supplies for Italy through a combined civilian arrangement. The basic civilian supplies in the programme are to be certified as essential by the Allied Commission in the first instance and then are to be submitted to CLAC (S) which will review the requirements and submit them to the Combined Supply and Shipping authorities in Washington. Copies of this preliminary draft paper† will be sent to you by bag.

Simultaneously the Secretariat of the Supplies Sub-Committee of CLAC has prepared and submitted to the Combined Boards a letter requesting the Boards' recommendations as to sources of supplies for RCL[85] items in the programme of basic supplies for September loading. The programme as submitted to the Boards indicates, "for convenience", the quantities which the F.E.A. recommends should be supplied from United States sources. They have requested action by the Boards on this programme as a matter of urgency. A further programme of basic supplies for October-December loadings is to be submitted shortly with provision for transfer if UNRRA takes over responsibility during the period. It might be said that of the items included in the present programme of basic supplies only wheat and dried salt fish would be required from Canada in any quantity if the F.E.A. recommendations concerning supplies to come from United States sources are accepted by the Boards. In that case the wheat required from sources outside the United States would amount to something like 50,000 tons and fish 3,057 tons per month. The documents submitted to the Combined Boards also will be sent to you by bag.†

The Canadian position in relation to these developing arrangements is by no means clear and it is appreciated by the United States and United Kingdom officials concerned that we shall probably be unable to give any indication of our willingness or unwillingness to participate in these supply arrangements until we receive the formal proposals from the State Department regarding the financial arrangements. We have made it clear that any informal comments which we might provide to the United States or United Kingdom representatives concerning the proposed procedures are put forward by us without prejudice to the decision which the Canadian authorities must take when we receive formally the proposals for combined financing of these relief supplies.

[85] Reserved Commodities List.

The formal financial proposals have not yet been received but we are continuing to press the State Department for their formal memorandum on the subject. Pearson and Angus may have an opportunity to discuss this subject with Clayton and the United Kingdom officials while in London if we can provide the State Department's formal proposals to you in time.

It would seem that there are three possible courses open to us.

1. We might insist on termination of procurement under the tripartite loss sharing arrangement hitherto in effect upon completion of August loadings and might then withdraw from any combined arrangement for financing basic relief supplies (i.e. category A supplies) to Italy until the time when UNRRA takes over. We could, I think, do this on the basis of the reservation which we attached to our acceptance of the original United Kingdom memorandum on the financing of relief outside UNRRA in which we had indicated that while we were prepared to share losses on "Military Relief" we would not expect to share losses on other relief outside UNRRA unless we had been consulted and had expressly approved the inclusion of this "other relief" in the combined loss sharing arrangement. We might argue also that termination of the combined financing arrangement would be appropriate at this time since the extension of the arrangement to cover this interim period for Italy might result in losses outrunning receipts (from paying countries, none of which will be receiving Military Relief Supplies after August 31st) to such an extent that receipts would be inadequate to distribute the prospective volume of losses in any proportions agreed upon in advance. If we are to take this position we should presumably notify the State Department and the United Kingdom Embassy to this effect immediately (or at least as soon as the CCAC make known their formal decision to terminate military responsibility), as the arrangements to be made between the United States and United Kingdom would be affected by the position which we had taken.

2. While insisting on the termination of the tripartite loss sharing arrangement upon completion of August loadings we might offer to contribute through the combined civilian agency, but outside any loss sharing arrangement, certain specified supplies (subject, of course, to Combined Board concurrence if the commodities are on the R.C.L.) required to tide Italy over during the interim until UNRRA takes over responsibility. If we were to make such an offer we would then at least know (and be able to control) the amount (and not only the percentage) of loss involved for us. In making such an offer we should presumably make it clear that inasmuch as the supplies offered were in partial fulfilment of the programme approved by A.C.[86] we were reserving our right to press a claim against Italy for repayment and that we should expect the United Kingdom, on our behalf, to bill the Italian Government for the cost of such supplies. Our willingness to make this offer would presumably depend on (a) our desire to continue contributing for political, commercial or humanitarian reasons to the relief of Italy, (b) our desire as staunch supporters of UNRRA to prevent a deterioration in the Italian supply position upon withdrawal of the

[86]Allied Commission.

military which would make UNRRA's task more difficult when it eventually takes over, and (c) the desirability of disposing of quantities of wheat or other surplus supplies in this way. If we are to take this second course we should presumably advise the State Department and the United Kingdom Embassy almost immediately that we consider it proper that the provision of supplies under the tripartite loss sharing arrangement should terminate on the date to be determined by the CCAC for terminating military responsibility in Italy but that we are prepared to contribute on the basis indicated blank quantities of wheat or other supplies known to be included in the basic Italian programme. Similar notification should be given by us to CLAC (S) which would then fit our offer into the supply and shipping programme.

3. We might expressly agree to have the combined loss sharing arrangement continue during this interim period on the basis to be determined for sharing losses above $400,000,000. The arguments in favour of the continued provision of supplies in this manner are in most respects similar to those advanced above for the second course. Any preference for this course would seem to be dependent upon (a) a judgment as to the probable adequacy of prospective receipts for bringing about the agreed distribution of losses during the whole period until UNRRA takes over, (b) a judgment as to the relationship between the amount of our loss under such a formula and the amount of Canadian supplies which might have to be financed by us under such an arrangement since presumably we would prefer to lose only on supplies which we had financed than to bear part of the loss on supplies provided by one of the other countries which had procured to an amount in excess of its share of the loss at a time when our procurement was less than our share of the total loss, (c) a judgment as to the relative size of our loss under the two arrangements (under course 2 we would determine our own prospective loss and would know in advance what the maximum would be but under course 3 our loss would be determined by the percentage share to be agreed upon and by the total volume of supplies to be provided by the three countries during this interim period) and (d) a judgment as to the seriousness of the dislocation which would result from shifting to a new financial arrangement at this stage. If we expect to take this course it would seem unnecessary for us to give any formal notification to the State Department or the United Kingdom Embassy, at least until we have received and considered the State Department's financial proposals.

Apart from other objections which might be raised to the continued provision of relief to Italy we recognize that there might be difficulty in financing the provision of the additional relief supplies involved in course 2 or 3 above unless they could continue to be financed out of the Military Relief vote. In this connection you will have seen the statement of the Assistant Secretary of War which appears on page 826-827 of the hearings on the Defense Aid or Lend-Lease Appropriation which we sent to you with our despatch No. 1600 of June 28th.† In that statement the Assistant Secretary pointed out that although "The necessities of the military situation in Italy no longer support the War Department's primary responsibility for the provision of supplies...this, however, does not mean that the War Department no longer has a vital interest

in the political and economic conditions which prevail in Italy." The statement concludes "The War Department supports the F.E.A. in the request which it makes for funds for use in Italy and will undertake, to the extent that funds appropriated by the Congress make it possible, to provide essential supplies to Italy to the amount of $100,000,000 until December 31, 1945." In other words although the intention is to handle the provision of supplies during the interim period through a combined civilian agency (largely to fit in with plans for civilianizing the Allied Commission and to improve the position of the U.S. War Department in requesting substantial funds for Military Relief elsewhere) the U.S. share will be financed in much the same way as part of the U.S. share of military relief in Italy and the Balkans was financed previously (i.e. through funds appropriated to the F.E.A. but usable only through transfers to the War Department). That is to say, on the U.S. side it is considered that the purpose to be served by further relief proposed for Italy is not substantially different from the purpose served by the "Military Relief" which has been going into Italy during the past few months and might therefore with similar justification be financed out of a Military Relief vote. The United Kingdom officials here have no definite information concerning the vote out of which the United Kingdom will be financing their further supplies during this interim period but understand that they will be financed on an ad hoc basis in the expectation that the interim will be of very short duration.

It may be impossible to determine the relevant merits and to choose from among the three courses discussed in a preliminary way above until we have received the State Department's memorandum on the sharing of any losses above $400,000,000. We shall, however, be grateful for any guidance which you can provide at this time. We shall keep you informed of developments in the discussions here.

I should perhaps emphasize that the relief which it is proposed to furnish to Italy under the projected combined civilian arrangement discussed above is distinct from the Category B program of Italian civilian imports which was discussed in our teletype WA-3978 of July 28[87] (although in their effects, of course, the two programs interact). Ends.

1130. DEA/2295-AH-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4199 Washington, August 10, 1945

IMMEDIATE. SECRET. Following for Pierce from Ritchie, Begins: Our WA-4183 of August 10th and related communications regarding the distribution of

[87] Document 1275.

losses on military relief above $400,000,000 including additional losses which may be incurred by mutual agreement for further relief to Italy.

1. We have now received from the State Department their formal memorandum which I am reproducing in my teletype WA-4200, together with a less formal annex which I am reproducing in my teletype WA-4201.

2. In presenting the formal memorandum to us State Department representatives made some oral remarks the sense of which I am reporting below.

3. With reference to paragraph 1(b) of the formal memorandum the State Department representatives indicated that it was their intention to have the previously existing agreements apply to all of the arrangements set forth in paragraph 1 and its sub-paragraphs with the single exception that under paragraph 1(b) the United States will be unable to finance initially any part of procurement for Italy from sources outside the United States after termination of military responsibility since the $100,000,000 available to F.E.A. were appropriated by Congress on the understanding that no part of this amount would be used for procurement outside the United States. This oral statement corrects and supersedes paragraphs 1(b) and 2(d) of the annex to the extent that these paragraphs referred to the responsibility for initial financing after end of military period.

4. With reference to paragraph 2 of the memorandum it was observed in the oral discussion that the United States Government has not yet made up its mind on the question of furnishing the indicated supplies on a Lend-Lease basis. The State Department representatives were asked, whether, in the event that the United States Government decides to furnish such supplies on a Lend-Lease basis, they would be provided as straight non-reimbursable Lend-Lease or whether they would come under the '3-C' reimbursable Lend-Lease arrangement.[xx] The State Department indicated that from the nature of the supplies specified they would almost certainly be regarded as straight non-reimbursable Lend-Lease but even if it should be decided that they be treated as '3-C' Lend-Lease it would be the State Department's intention to have such recoveries as might eventually materialize excluded from the pool of receipts available for distribution under the relief arrangements with the United Kingdom and Canada.

5. In commenting on the penultimate paragraph of the memorandum the State Department representatives observed that this paragraph had been inserted particularly for the benefit of the Canadian authorities who might otherwise feel some concern at the absence of any specific provision for including within the arrangement losses incurred on relief to Germany and Austria in the preliminary period. They interpreted this paragraph as meaning that the arrangements for sharing losses will apply to all supplies furnished to these ex-enemy countries up to the point at which one or all of the three parties

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[xx]La référence est à la clause 3-C de l'Acte du Prêt-bail. Voir E. R. Stettinius, Jr., *Lend-Lease: Weapon for Victory*. New York, Macmillan Co., 1944, pp. 336-7.
Reference is to Clause 3-C of the Lend-Lease Act. See E. R. Stettinius, Jr., *Lend-Lease: Weapon for Victory*. New York, Macmillan Co., 1944, pp. 336-7.

to the agreement decides (and in no case later than the completion of October 1945 loadings) that the loss on the provision of further supplies to these countries should no longer be shared among the three Governments. The intention being to relieve Canada of any share in the loss on supplies provided to Germany and Austria at least as soon as (and, in no event later than October 31st, 1945) the United States, United Kingdom and France (and eventually Russia) can bring into operation the arrangements for provisioning the respective zones, or Germany as a whole, on a basis to be agreed among the four occupying powers.

6. The annex will, I think, be found self-explanatory. From the discussion in the annex and in the memorandum it will be seen that the proposals now being put forward by the State Department are still some distance from the United Kingdom original proposals. Apart from the reduction of the United Kingdom percentage share of losses from 25 per cent to 21 per cent (see paragraph 3 of the memorandum) no concession has been made to the United Kingdom. As indicated in paragraph 2(d) of the annex (and as emphasized above in paragraph 3 of this teletype in connection with procurement for Italy after termination of military responsibility) the United States is not prepared to take over the United Kingdom's 50 per cent share in responsibility for procurement in areas outside the British Commonwealth and the United States. At the same time paragraph 2(b) of the annex rejects the United Kingdom proposal that the United Kingdom responsibility for procurement within the British Commonwealth be confined to the United Kingdom and Colonies (plus South African coal) and insists that the United Kingdom retain responsibility for all procurement from British Commonwealth sources, excluding Canada. In other words the State Department proposes that the previously existing procurement responsibilities (established by the United Kingdom Embassy memorandum of June 8th, 1944,[89] to which reference is made in paragraph 1 of the present State Department memorandum) shall remain in force. In these circumstances, although the United Kingdom representatives here were not prepared to indicate the probable United Kingdom reaction to the proposals when they were presented, it can be expected that the proposals will meet considerable opposition in the United Kingdom. Since the significance of the proposal that our loss be limited to 5 per cent of the excess above $400,000,000 depends on acceptance by the other two parties of the remaining 95 per cent of the loss, it will be necessary to learn the United Kingdom reaction before full consideration can be given to the proposals affecting Canada, unless the proposals affecting Canada are considered to be unacceptable even if the United Kingdom were to decide that the proposals affecting the United Kingdom were acceptable. Accordingly the State Department has arranged for the American Embassy in London to provide the text of the memorandum and annex to Pearson and Angus through Canada House in case it is considered appropriate

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[89]Voir États-Unis, *Foreign Relations of the United States*, 1944, volume II, Washington, U.S. Government Printing Office, 1967, pp. 312-3.
See United States, *Foreign Relations of the United States*, 1944, Volume II, Washington, U.S. Government Printing Office, 1967, pp. 312-3.

or desirable for them to discuss the proposals at least informally with the United Kingdom officials and with Clayton or Collado of the State Department who are present in London for the UNRRA Council meeting. If you consider such discussions in London desirable at this time it will, therefore, be unnecessary for you to cable the texts, although you may wish to provide Pearson and Angus with your observations and any parts of this teletype or of WA-4183 which you think would be relevant and helpful.

7. We shall, of course, be anxious to receive any guidance which you may be able to give us for the discussions which will be taking place here on the proposals reported in this and the two following teletypes and on the problems raised by WA-4183. Ends.

1131. DEA/2295-AH-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4200 Washington, August 10, 1945

IMMEDIATE. SECRET. Following for Pierce from Ritchie, Begins: With reference to my teletype WA-4199 of August 10th, the following is the text of the memorandum from the State Department regarding the distribution of losses on military relief above $400,000,000 including additional losses which may be incurred by mutual agreement for further relief to Italy, Begins:

MEMORANDUM

Reference is made to the aide-mémoire presented to the Department of State by the British Embassy on May 15th, 1945,[90] proposing that negotiations be undertaken immediately by the British, Canadian, and United States Governments with regard to the financial arrangements to be made in connection with the future provision of relief to liberated and conquered areas of Europe on a combined basis insofar as such relief lies outside the scope of the United Nations Relief and Rehabilitation Administration. An aide-mémoire of similar tenor was presented to the Department of State by the Canadian Embassy on May 17th, 1945.[91]

During the past several months, representatives of the three Governments have discussed in detail the problems involved in the future provision of relief both through combined military channels and through the United Nations Relief and Rehabilitation Administration.

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[90] Voir États-Unis, *Foreign Relations of the United States*, 1945, volume II, Washington, U.S. Government Printing Office, 1967, pp. 1090-1.
See United States, *Foreign Relations of the United States*, 1945, Volume II, Washington, U.S. Government Printing Office, 1967, pp. 1090-1.

[91] Voir le document 1117.
See Document 1117.

The United States Government now desires to propose the following arrangements with regard to the financing of relief shipments on a combined or other agreed basis to liberated and conquered areas of Europe which fall outside the scope of the United Nations Relief and Rehabilitation Administration.

1. The agreement between the three Governments which is contained in the British Embassy's memorandum of June 8th, 1944,[92] and February 8th, 1945,[93] to the State Department, the State Department's replies of June 8th, 1944,[94] and March 3, 1945,[95] the Canadian Embassy's memorandum of June 2nd, 1944, and letter of June 17th, 1944,[96] and the State Department's reply of September 12th, 1944,[97] the State Department's memorandum of March 3rd, 1945 to the Canadian Embassy[98] and the Embassy's reply of April 28th, 1945,[99] and in substantially similar communications between the British and Canadian Governments,[100] should, subject to certain modifications set forth below, continue to apply to the following:

(A) Military relief supplies furnished on a combined basis to France, Belgium (including supplies for Luxembourg), Norway, Denmark, and the Netherlands until the termination of military supply responsibility for these countries, subject to paragraph 2 below.

(B) Relief supplies delivered to Italy under a combined or an agreed program, whether or not such supplies are furnished through military channels.

2. The arrangements set forth in the previous paragraph will not apply to the portion attributable to the United States of the following supplies in so far as the United States Government desires to furnish such supplies on a lend-lease basis:

(A) Petroleum, oil and lubricants delivered to France, Belgium, (including supplies for Luxembourg), or The Netherlands on or after July 1st, 1945.

(B) Coal delivered to France on or after August 1st, 1945.

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[92] Voir États-Unis, *Foreign Relations of the United States*, 1944, volume II, Washington, U.S. Government Printing Office, 1967, pp. 312-3.
See United States, *Foreign Relations of the United States*, 1944, Volume II, Washington, U.S. Government Printing Office, 1967, pp. 312-3.

[93] Ibid., 1945, volume II, pp. 1068-9. Voir aussi la pièce jointe, document 1086.
Ibid., 1945, Volume II, pp. 1068-9. See also enclosure, Document 1086.

[94] Ibid., 1944, volume II, pp. 313-4.
Ibid., 1944, Volume II, pp. 313-4.

[95] Ibid., 1945, volume II, pp. 1073-4. Voir aussi le document 1090.
Ibid., 1945, Volume II, pp. 1073-4. See also Document 1090.

[96] Voir le document 1041.
See Document 1041.

[97] Voir le document 1047.
See Document 1047.

[98] Voir le document 1090.
See Document 1090.

[99] Voir la pièce jointe, document 1114.
See enclosure, Document 1114.

[100] Voir le document 1042, la pièce jointe du document 1086 et les documents 1094 et 1111.
See Document 1042, the enclosure of Document 1086 and Documents 1094 and 1111.

(C) Any other supplies delivered to Belgium (including supplies for Luxembourg) or The Netherlands on or after August 1st, 1945.

3. Such amounts as prove to be irrecoverable from recipient Governments or authorities in excess of a total sum of $400,000,000 shall be borne by the three supplying Governments as follows:

By the United States	74 percent of such amount
By the United Kingdom	21 percent of such amount
By Canada	5 percent of such amount

Receipts collected from the recipient Governments or authorities shall be divided as may be necessary in order that the ultimate deficit be shared in the proportions set forth above. The three Governments shall proceed jointly in the collection of such receipts in accordance with the understandings set forth in the exchange of letters of April 4th and April 24th, 1944,[101] between the State Department and the Canadian Embassy, and related communications with the British Embassy.

4. The foregoing relates solely to the financial arrangements which will govern such relief supplies as are furnished by the three Governments and does not affect the scope of the supply programs to be undertaken which will be agreed by the three Governments through appropriate channels from time to time.

The United States Government will make proposals separately with regard to the financial arrangements in connection with civilian supplies furnished by the three Governments to Germany and Austria. Meanwhile, any such supplies furnished these countries by the three Governments, in accordance with mutual agreement, shall be regarded as falling within the terms of the foregoing arrangements, but this understanding shall in no event extend beyond October 1945 loadings.

For purposes of convenience, there is set forth in the attached annex the substance of the agreement between the three Governments as it would be amended by the foregoing proposals.

Enclosure: Annex.
Department of State
Washington, August 9th, 1945.
Ends. Message Ends.

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[101] En réalité, l'échange de lettres a eu lieu en 1945. Voir les documents 1104 et 1109.
In fact, the exchange of letters took place in 1945. See Documents 1104 and 1109.

1132. DEA/2295-AH-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4201 Washington, August 10, 1945

IMMEDIATE. SECRET. Following for Pierce from Ritchie, Begins: With reference to my teletype WA-4199 of August 10th, the following is the text of the unsigned annex to the State Department's formal signed memorandum of August 9th, 1945, Begins:

ANNEX

The following provisions shall apply to the furnishing of relief supplies by the United States, the United Kingdom and Canada, on a combined or other agreed basis, to liberated and conquered areas of Europe outside their own territories, in so far as the burden for furnishing such supplies does not fall upon the United Nations Relief and Rehabilitation Administration:

1. The arrangements herein set forth shall apply to supplies furnished as designated below:

(A) Supplies furnished to France, Belgium, (including supplies for Luxembourg), The Netherlands, Norway, Denmark, Greece, Albania, and Yugoslavia: until the termination of combined military supply responsibility, except as provided in paragraph 3.

(B) Supplies delivered to Italy under a combined or an agreed program, whether or not such supplies are furnished through military channels.

2. The initial financing of supplies procured for such relief shall be undertaken as follows:

(A) In the United States, by the United States Government.

(B) In the British Commonwealth except Canada, by the Government of the United Kingdom.

(C) In Canada, by the Canadian Government.

(D) In other areas, 50 percent by the United States Government and 50 percent by the British Government in the case of supplies which are to be furnished on a combined basis.

3. The provisions of paragraph 1 shall not apply to the portion attributable to the United States of the following supplies in so far as the United States Government desires to furnish such supplies on a lend-lease basis:

(A) Petroleum, oil and lubricants delivered to France, Belgium, (including supplies for Luxembourg), or The Netherlands on or after July 1st, 1945.

(B) Coal delivered to France on or after August 1st, 1945.

(C) Any other supplies delivered to Belgium (including supplies for Luxembourg) or The Netherlands on or after August 1st, 1945.

4. Unless other arrangements are mutually agreed upon, payment in full shall be requested of all Governments or authorities of liberated or conquered areas to which such supplies are furnished.

5. Such amounts as prove to be irrecoverable from such Governments or authorities shall be borne by the supplying Governments in the following proportions:

(A) Up to a total of $400,000,000:	
By the United States	67 percent
By the United Kingdom	25 percent
By Canada	8 percent
(B) In excess of $400,000,000:	
By the United States	74 percent
By the United Kingdom	21 percent
By Canada	5 percent

6. Receipts collected from the recipient Governments or authorities shall be paid to the three Governments jointly under arrangements to be agreed upon from time to time. Such receipts shall be divided as may be necessary in order that the ultimate deficit be shared in the proportions set forth in the previous paragraph.

7. The three Governments shall consult together from time to time in order to decide whether a claim shall be maintained against any Government or authority which at any time indicates its inability to meet any request for payment.

8. The arrangements set forth above shall also apply to supplies furnished by the three Governments to Germany and Austria in accordance with mutual agreement, but shall in no event apply beyond October 1945 loadings.

9. The foregoing provisions shall apply only to supplies furnished through military channels, except that in the case of Italy they shall apply to all supplies which are furnished by the three Governments on a combined or agreed basis. Ends. Message ends.

1133. W.L.M.K./Vol. 378

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2318 London, August 14, 1945

Following from Angus, Begins: At a meeting of the Council on Monday afternoon, Mr. Clayton proposed that UNRRA should take over relief in Italy and Austria as from the end of the present calendar year. He intimated that, unless this were done, it was improbable that a further vote of money for UNRRA on the same scale as the first vote, namely one percent of the national income for the year ending in June, 1943, could be obtained from Congress.

Clayton further intimated that a vote of one percent was the most that could be expected from Congress and would be final. The United Kingdom promised a contribution, but pointed out that it had suffered more financially than any other great country and that it was not in a position completely to match the suggested vote by Congress. This probably means that the United Kingdom will give half of one percent now and further amounts as they are needed, if circumstances permit.

It seems highly desirable that the Canadian representative should be in a position to make an announcement of what Canada will do. The United States announcement was clearly made contingent on a vote of Congress, and the Canadian announcement might be made contingent on the United States contribution being forthcoming. It is very desirable to obtain contributions from as many countries as possible, and the Canadian example will exercise an important influence. It would, therefore, be appreciated if the Canadian delegation may receive as clear an indication as possible of Canadian policy, and as precise an indication as possible of the statement which it may make in the course of the present discussions. In general terms, Pearson's statement at the meeting on August 13th,[†] indicated that Canada would contribute commensurately with other countries.

A further point of importance arises from Clayton's remarks. He intimated that military relief in Italy would terminate with the August shipment and said that relief from the end of August until the end of the year would be provided out of funds voted by Congress, and that the United States hoped that the United Kingdom and Canada would continue to participate. In extending the period of relief outside UNRRA until the end of the calendar year, without consultation with Britain or with us, the United States authorities have, no doubt, been attempting to get as much as possible from Congress for relief purposes, namely, a vote specifically for Italy, plus a one percent contribution to UNRRA. If this is the justification for their action, it leaves Canada with the following choices:

(a) We might terminate our contributions to Italian relief with the end of military relief, which ceases with the August shipment. This action would leave us paying presumably five percent of the excess cost of military relief over 400,000,000 dollars up to date. This would be somewhat less than we had contemplated when discussing the possibility of UNRRA taking over as from October 1st.

(b) We might go along with the United States and pay five percent of the cost of relief in Italy up to the end of the present calendar year. This would involve us in rather more than we had contemplated, on the assumption that UNRRA would take over from October 1st as we should be paying five percent of three months additional relief, which probably runs around 25,000,000 a month. It is, however, very improbable that the United Kingdom will consent to pay, as the Americans ask, twenty-one percent of Italian relief for this prolonged period and it is probable that the United States would prefer to pay the whole cost itself to attempting to defend before Congress the reduced British share.

(c) We might agree to pay whatever the United States likes and deduct our payments from our UNRRA assessment. If the assessment is made in the form of half of one percent now and more later, it might be expedient to make the deduction from the later payment, in order to provide funds urgently needed by UNRRA now. The United States would have no object in itself conforming to such a plan which, as has been explained, would reduce the amount made available by that country for relief. It is, however, possible, that the British, who rejected such a plan when they thought of their own total contribution as half of one percent, might welcome it if that contribution is to become a full one percent. It may well be that our choice of courses might be influenced by a wish to keep up the appearance of a joint arrangement.

Of the three courses indicated, my personal recommendation would be that, unless new developments arise, we should adopt the first and offer to pay five percent of the deficit from military relief in excess of 400,000,000 dollars until military relief ends at the end of August, and that we should explain that we could not justify a recommendation to Parliament for a special vote apart from UNRRA designed to cover relief in Italy. It would be of great help to have guidance as to the action we should take in this matter. Ends.

1134. DEA/2295-BH-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4304 Washington, August 16, 1945

IMMEDIATE. SECRET. Following for Pierce from Ritchie, Begins: Your EX-2977, August 16th[102]—reporting message from Angus concerning relief.

1. After discussion here, we have nothing significant to add to the telephone conversation.

2. As you pointed out on the telephone, the principal argument for our continuation in any arrangement for the relief of Italy would seem to arise from our desire to protect UNRRA (and the Italians) from the sort of situation which Field Marshal Alexander envisages as developing[103] if the flow of relief supplies were to fall off during the interim between the termination of military responsibility and the take-over by UNRRA. You will have noted that Alexander expressed his reluctance to transfer relief responsibility from the Military unless he had an assurance that a satisfactory substitute relief arrangement would come into operation immediately upon cessation of the

[102]Ce télégramme répétait le texte du document précédent.
This telegram repeated the text of the preceding document.

[103]Le télétype WA-4256 du 13 août, non reproduit, avait signalé la crainte du maréchal Alexander qu'il y aurait peut-être de graves désordres.
Teletype WA-4256 of August 13, not printed, had indicated Field Marshal Alexander's concern that there might be serious disorders.

military responsibility. It is not known whether Alexander will consider the scale of relief which the United States can provide on their own (i.e. out of the one hundred million dollars appropriated for the purpose) adequate to meet the situation that he sees developing. I understand that the C.C.A.C. is preparing a message to Alexander reporting the existence of this F.E.A. programme.

3. With reference to choice 'A' in the message from Angus, I take it that when he refers to "terminating our contribution to Italian relief" he has in mind terminating our contribution to any and all relief under the combined loss-sharing arrangement (including Austria and Germany, as well as Italy—even though repayment is expected from Germany).

4. Concerning the date for terminating military responsibility in Italy we have learned this afternoon that the United States and United Kingdom have now virtually agreed that military authorities should cease to have any supply responsibility for Italy (except for Venezia Giulia and other small areas of possible operational interest) after completion of August loadings. A cable to this effect will probably be despatched to the theatre during the next few days.

5. Although this reason is not directly of concern to us it might be pointed out that the most compelling reason for continued United Kingdom participation in a combined relief arrangement is the necessity of maintaining their position on the (Combined) Allied Commission in Italy. They feel that their position on the Allied Commission might be embarrassing and their influence in the Allied Commission might be weakened if Italy were to be no longer supplied through a combined arrangement in which they were participants. Ends.

1135. DEA/2295-BH-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 1877 Ottawa, August 16, 1945

IMMEDIATE. Following for Angus, Begins: Your telegram No. 2318 of August 14th, military relief.

We agree with you in favouring termination of contribution to Italian relief with end of military relief period, August 31st. It is most unlikely that Parliament will vote funds to cover relief in Italy apart from UNRRA. All Allied countries are being required to pay for or buy on credit supplies from Canada which do not reach them through UNRRA.

The choice of deducting our payments from our UNRRA assessment would be acceptable but I assume that if we deduct, both the U.S. and U.K. will follow suit. This has the disadvantage of reducing the total United States contribution by the $100,000,000 now ear-marked for Italian relief.

We telegraphed you today copy of message from Field Marshal Alexander[†] seeking assurance that essential commodities would continue to be provided

without interruption for Italy, particularly as regards that portion of the programme not already guaranteed financially by the United States Government. If you consider, in the light of his telegram, it is now advisable to retain the appearance of contributing, it seems to us that we could make funds available only in one of two ways; either as a deduction against UNRRA or by an extension of the military relief period beyond August 31st, which would enable us to use unexpended portion of funds allotted by Treasury Board for military relief and possibly obtain further allotments against the War Appropriation.

This would probably not add to the supplies going to Italy since examination of the proposed loadings for September through December shows that the United States can supply all but 50,000 tons of wheat per month and 3,057 tons of fish per month. There seems little likelihood of Canada undertaking any further commitments for wheat, as the export for the crop year is now estimated as low as 300,000,000 bushels. During the winter months particularly, it is not expected that Canada can supply any wheat for export if our commitments to the United Kingdom are met in full. There is no fish available unless the Combined Food Board approves a diversion. The effect of continuation of the military relief period to end of year would be merely to make us liable for five percent of the supplies furnished by others to Italy.

If you are unable or consider it inadvisable to adopt the first course which we both prefer, termination on August 31st, please advise me so that I can discuss with the Ministers concerned.

1136. DEA/2295-BH-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4447 Washington, August 23, 1945

Following for Pierce from Ritchie, Begins: Our despatch No. 1963 of August 11th† and teletype WA-4426 of August 22nd,† concerning termination of Military responsibility and transition to civilian responsibility for provision of relief supplies to Italy.

In view of imminence of termination of Military responsibility working party of CLAC (S) met this morning to examine those items in the Italian Basic Relief Programme for September loading which were not on the reserved commodity lists with a view to determining sources from which supplies might be secured.

The only item of apparent interest to Canada was wheat. It was reported that the total Italian requirements for September loading (allowing for some drain on stocks) were of the order of 115,000 tons. The United States are proceeding with plans to load eleven ships with something like 95,000 to 100,000 tons. In addition arrangements are proceeding (see our teletype WA-

4310 of August 17th† and your EX-2996 of August 18th†) for the movement of the wheat which Argentina had offered as a gift to Italy, but it is understood that difficulties of inland transport in Argentina and other delaying factors will prevent the movement of any significant amount of this wheat from Argentina during September. Accordingly I have been asked to enquire whether there is any likelihood that Canada will be prepared to provide the two or three shiploads necessary to make up the expected deficit. I intimated to the meeting that, quite apart from the continuing absence of any financial arrangement, tightness of the present wheat situation in Canada made it most unlikely that Canada could supply any substantial quantity of wheat to Italy, at least during September, but I undertook to ask your views immediately.

Although wheat could appear to be the only non-R.C.L. item which might come from Canada you will appreciate that we can expect to receive similar requests to provide certain R.C.L. items as soon as the recommendations of the Combined Boards are received.

As I do not know what progress may have been made in the financial discussions with Clayton and the United Kingdom officials in London I am unable to give the United States or United Kingdom officials here any indication of Canada's willingness or unwillingness to finance such supplies to Italy during the next few months even if the supplies should be available in Canada.

In my following teletype† I am reporting, for your information, a telegram which the British Supply Council has received from the United Kingdom Supply Committee in London concerning the probable extent to which the United Kingdom will be able to meet the requirements of the Italian Basic Relief Programme on the understanding that the United Kingdom will assume procurement responsibility only for such supplies as may be available from the United Kingdom and Colonies (plus South African coal). Ends.

1137. DEA/7510-40

Le conseiller financier, le haut commissariat de Grande-Bretagne, au sous-secrétaire d'État aux Affaires extérieures

Financial Adviser, High Commission of Great Britain, to Under-Secretary of State for External Affairs

915/305 Ottawa, August 27, 1945

Dear Mr. Robertson,

You wrote to me on the 12th July raising two questions in connection with the suggestion that Canada should carry the initial financial responsibility for supplies procured in Canada for use in the British Occupied Zone of Germany. I referred your questions to the authorities in the United Kingdom and have now received a reply on both the points you raised.

I am afraid that it has not been found possible to give any close estimate of the supplies required from Canada for the British Zone. The latest report on

the food situation in the British Zone estimates the imported wheat requirements for German civilians for the year ending 1st September, 1946 at two million tons. I must, however, emphasize that this is not an approved requirement and the figure must accordingly be taken with considerable reserve at this stage. Moreover the proportion of the requirements of the British Zone, as finally determined, which will have to be drawn from Canada will depend on the recommendations of the combined boards. For the time being, however, the figure of two million tons of imported wheat is the best indication available of the order of magnitude of amounts likely to be at stake.

So far as your second question is concerned, as you are aware, the principle of the first charge on exports to secure payment for imports was agreed at Potsdam and is one of the principles laid down for the guidance of the Control Council. The United Kingdom authorities recognize that the European Allies may object to the enforcement of this principle but it is their firm determination, as it is understood to be that also of the Americans, to maintain and apply it, and the United Kingdom representative in Berlin has recently been authorized to put forward an interim scheme for beginning immediate collection of payment from the recipients of German coal and other exports. Payment under this scheme would be required for the time being in American dollars. This scheme which it is understood will have the support of the Americans, is now being examined by representatives of the four controlling powers with a view to submitting agreed proposals for approval by the Control Council. In these circumstances the United Kingdom authorities hope that machinery for obtaining effective payment for German imports in currency acceptable to the supplying countries will shortly be established.

The United Kingdom authorities appreciate the Canadian concern about the position that would arise if the first charge principle were abandoned or notified in negotiations between the four controlling powers to which Canada would not be a party. While it is considered that such a contingency is most unlikely to materialize, the United Kingdom authorities would be prepared, if the Canadian authorities accepted their proposals about interim finance to undertake to keep them informed as to the arrangements which are being worked out for securing repayment from Germany and to consult with Canada in regard to any substantial modifications which might at any time be proposed.

Under the United Kingdom proposals Canada would be associated with the United Kingdom in the interim financing of supplies required from Canada for the British Zone, and the element of uncertainty in regard to the receipt of full and effective repayment from Germany would be one more factor to be taken into account in the ultimate financial settlement between Canada and the United Kingdom.

I hope that this supplies the information you require and that the Canadian authorities will now be able to give sympathetic consideration to the United Kingdom proposals.

Yours sincerely,

R. GORDON MUNRO

1138. DEA/2295-AH-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4540 Washington, August 29, 1945

SECRET. Following for Pierce from Ritchie, Begins: Reference your despatch No. 752 of June 4th and my letters of May 30th† and June 1st,† concerning notification to the Italian Government of liability to pay for Military Relief supplies.

At long last, the State Department has resumed discussion of this subject and at a meeting this morning proposed that the draft note to the Italian Government be abbreviated and revised to read as follows, in order to take account of the detailed billing procedure and of other developments in the interval, Begins:

In the course of military operations on the European continent, the combined armies of the Allies have imported into Europe certain basic supplies for the civilian population of the countries which have been liberated from German domination. These supplies for civilian use have been procured by the Governments of the United States, of the United Kingdom, and of Canada, and have reached the people in the liberated countries through or for the account of their Governments. The supplying Governments expect that the Governments of the recipient countries will pay the costs of such civilian supplies, including, in the case of Italy, all such supplies delivered since July 10th, 1945 [1943?].

Bills will be presented to your Government by the Supreme Allied Commander through whom civilian supplies are furnished. While as a matter of convenience, these bills will be presented in terms of United States dollars, your Government will be asked to pay in currencies acceptable to the supplying Governments.

The supplying Governments expect the Government of Italy to make payment of each bill rendered to it for civilian supplies furnished to Italy on the basis that the amount of each bill is final for the quantities of civilian supplies covered thereby. The amounts due will be based on quantitative records of the supplies furnished to Italy and on landed costs of the commodities delivered in Italy, as maintained and computed by the combined military authorities. Prices will be calculated so as to cover all costs of these commodities to the supplying

Governments, including transportation to the point where these supplies reach Italy. Should any costs be incurred by the military authorities beyond that point, such as cost of inland transport, separate billings will be made to the Italian Government in order to cover such additional expenses incurred for the account of Italy.

At the time of the first billing by the Combined Allied Military authorities, your Government will be advised as to the procedure to be followed in making payments.

It is understood that the British and Canadian Governments are addressing similar communications to your Government. Ends.

Could you let me know whether this version of the note is acceptable to the Canadian Government?

When the language of the note has been agreed upon it is proposed by the State Department that it be presented to the Italian Government with an oral remark to the effect that; "The supplying Governments for the present do not intend to press the Italian Government for payment but they will expect the claim to be taken up in connection with the Peace Treaty." Would this sort of oral remark be satisfactory to the Canadian authorities? Neither the United States nor United Kingdom representatives knew how the claim for payment for these relief supplies would be treated in the Peace Treaty discussion. There were hints that the United States and/or the United Kingdom might be prepared to waive their claim for payment in return for some concession from the Italians under the Peace Treaty. In the interest of protecting or preserving our claim (or ensuring that Canada participates in any benefits resulting from a possible waiver) it would seem essential that we be kept informed by the United States and/or the United Kingdom of their intentions in respect of the claims against the Italian Government for military relief supplies during the course of the negotiation of the Peace Treaty in London next month. In this connection you have no doubt seen the reference to Italian military relief in the Dominions' Office telegrams on the discussion of reparations at Potsdam.† You may desire that when we inform the State Department and the United Kingdom Embassy of the acceptability to us of the above draft note and oral remark (in their present or a revised form) we indicate our expectation that they will keep us informed of any developments concerning settlement for their shares of military relief in the preparatory discussions on the Italian Peace Treaty.

There is a further question concerning the mechanics of the presentation of the note on which I should be grateful for your advice. Since I understand that the Canadian Government does not yet have direct diplomatic relations with the Italian Government, presumably arrangements would have to be made with the United States or United Kingdom to make a presentation on our behalf. The State Department is opposed to a joint United States-United Kingdom presentation of a single note on behalf of the United States, United Kingdom-Canada. Conceivably the Canadian note might be presented through the Allied Commission, although such a presentation would seem to involve rather complicated procedures. In order that the United States and United Kingdom

officials might raise this question with their Governments at the same time as they ask for approval of the draft note quoted above I should be grateful if you could let me know tomorrow or the next day what procedure you feel should be followed in informing the Italian Government of its obligation to the Canadian Government. Ends.

1139. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires aux États-Unis

Secretary of State for External Affairs to Chargé d'Affaires in United States

TELETYPE EX-3164 Ottawa, August 31, 1945

Following for Ritchie from Angus and Pierce, Begins: Your WA-4569.†

Our understanding is that Canadian participation in military relief ends with the August loadings. Beyond that date the situation is as follows:

Italy: We are awaiting an American proposal that we share in the financial responsibility for September. Our understanding is that the U.S. will propose that we bear five per cent of the cost of civilian relief outside UNRRA for the month of September and that UNRRA will take over financial responsibility on October 1st.

Germany: The UK has asked if we will assist them by financing procurement for the supplies available in Canada for the British zone, on the understanding that we will ultimately be repaid from the proceeds of German exports. This proposal will probably be put before the Cabinet shortly.

Austria: The situation has been very vague, because of the uncertainty regarding Austrian exports and their availability for reparations or for payment of necessary imports. No proposal has been made to us to share in the financial responsibility for any relief outside UNRRA or to finance procurement. UNRRA has been authorized to take over relief in Austria but the date will depend on arrangements made between UNRRA and the occupying military authorities. It is our understanding in the meantime these authorities will proceed with relief as they are doing in Germany, probably looking to Austria for eventual repayment.

In summary, our understanding is that we have no commitment whatsoever for military relief beyond the August loadings.

If the U.S. authorities have a different understanding of the situation, our view should be made clear to them and we should be advised of their view.

1140. DEA/2295-BH-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires aux États-Unis

Secretary of State for External Affairs to Chargé d'Affaires in United States

TELETYPE EX-3169 Ottawa, August 31, 1945

Your WA-4467 of August 24th,†

There has been no substantial change in the Canadian wheat supply position. A very heavy wheat movement is already programmed for September and we are unable to allocate the fifteen to twenty thousand tons of wheat required by Italy for September loading.

1141. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires aux États-Unis

Secretary of State for External Affairs to Chargé d'Affaires in United States

TELETYPE EX-3209 Ottawa, September 4, 1945

SECRET. Following for Ritchie from Pierce, Begins: Your WA-4540 of August 29th.

Did you hear from Angus before his departure on the subject of notification to the Italian Government of liability to pay for military relief supplies? I find a copy of a teletype to you here but the Cypher Division has no record of having sent it.

The teletype said that the note in this abbreviated form is satisfactory and so is the proposal that an oral statement should be made along the lines indicated in your teletype. It went on as follows:

"It is a good suggestion that we should ask the United States and the United Kingdom to keep us informed in the event of their intending to take any step to waive their claim for payment or any portion of it in return for some concession from the Italians under the Peace Treaty. It is obvious that any such action on their part would make it very difficult for the Canadian Government to insist on payment of its share of the joint claim and it would not be unreasonable to expect that our interests should be consulted before any action is taken which might compromise our claim.

As Canada is not directly represented in Italy the natural course would be for us to ask the United Kingdom representative to present the Canadian note on our behalf. When the terms of the note and of the accompanying observations have been agreed on and the date of presentation settled, it would be possible for us to proceed with the request to the United Kingdom authorities." Ends.

1142. DEA/2295-AH-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4666 Washington, September 6, 1945

IMMEDIATE. Following for Pierce from Ritchie, Begins: Your EX-3164 of August 31st and our telephone conversation of September 1st, military relief.

The observance of the long weekend (Friday evening to Tuesday morning) by several of the United States officials concerned, the lack of familiarity on the part of other officials with the discussions which Clayton and Collado had with Angus and others in London, and the absorption of other officials in preparations for the forthcoming meeting of the Council of Foreign Ministers, have made it exceedingly difficult to secure anything like a comprehensive consideration of your message since it arrived. However I have managed to have brief conversations with Reinstein and Collado of the State Department and with Jackling and Bridge of the United Kingdom Embassy on the points which you raised.

In the first place, I have been unable to find any evidence that the United States authorities intend to submit the proposal which you apparently are awaiting concerning financial responsibility for relief in Italy during September. It is Reinstein's understanding that the general State Department proposal reported to you in our WA-4200 and related teletypes of August 10th was intended to apply to relief required for Italy in September and any subsequent months until UNRRA could take over as well as to relief for other areas and for other time periods. Far from planning the submission of new proposals concerning September relief for Italy the State Department are awaiting the replies of the United Kingdom and Canada to the general proposal which they submitted on August 10th.

In the second place, I find no expectation here among the United States, United Kingdom or UNRRA officials with whom I have been able to talk that UNRRA will be able to take over responsibility (financial or otherwise) for relief in Italy as early as October 1st. It apparently was agreed at the UNRRA Council meeting that UNRRA should take over responsibility as soon as possible but there would seem to be no assurance that they can assume any substantial part of that responsibility as early as October 1st. The United Kingdom representatives here speak of November 1st as a possible date but admit that they have no basis for selecting this particular date and recognize that the actual date may be even later.

In the third place, the State Department would regard their memorandum of August 10th as including, in the absence of any alternative agreement, a proposal to Canada for sharing in financial responsibility for relief required in Germany and Austria up to some date not later than the completion of October

loadings (see paragraph 5 of my WA-4199 and the penultimate paragraph of the memorandum reproduced in WA-4200).

In view of the apparent lack of agreement on these important points of detail, it would seem necessary for us to have your comments on these points.

On the general question of the extent of Canada's commitment under the original arrangement, I do not think that we can safely assume that our commitment (even with the reservation which we made in our original acceptance and of which the State Department took note in their memorandum of May 26th) will be considered by the United States and United Kingdom to expire automatically at any particular time, with any particular amount, or upon completion of any particular type of relief programme (particularly since there is no precise and generally accepted definition of "military relief"). The Canadian reservation against extension of the arrangement beyond or outside military relief was not an absolute reservation, since it allowed for the possibility of express approval by the Canadian Government of such an extension. I am sure that the State Department would consider that they had, in their memorandum of August 10th,[104] requested the express approval of the Canadian Government for such an extension. Technically the absence of express approval by us of the proposal to extend the arrangement in the manner proposed by the State Department might be regarded as exempting us from any share of responsibility in the event that the United States and United Kingdom proceed with the procurement and provision of supplies under any such extension. Practically, however, it might be regarded as reasonable by the State Department to expect to receive notice of our express disapproval of the proposed extension before being required to conclude that we were not prepared to accept a share of responsibility under an extension of the previous arrangement rendered necessary by the absence of any alternative arrangement for continuing relief to Italy, Germany and Austria.

None of the United States and United Kingdom officials with whom I have talked would question Canada's right to terminate her commitment since it has always been recognized that once the limit of the original agreement (i.e., $1,000,000,000 aggregate expenditure) was reached subsequent operations were continued more or less on sufferance and that accordingly any one of the three countries could terminate the arrangement at will. To achieve a clear-cut termination of the arrangement (or at least of Canada's share therein) it would seem necessary, however, for us to advise the State Department and Dominions Office formally of our understanding that Canada's commitment terminated upon completion of August loadings. In giving such notice to the State Department I do not see how we can avoid reference to the State Department's memorandum of August 10th which had proposed an extension and modification of the original arrangement. From the fact that you desire to have Canada's responsibility terminated upon completion of August loadings I assume that you have rejected the State Department proposal as a basis for

[104] Voir le document 1131.
See Document 1131.

provision of supplies to Italy, Germany and Austria after completion of August loadings. I am not sure, however, whether you have accepted, rejected, or still have under consideration the State Department proposal as a basis for settlement for losses incurred up to the completion of August loadings above the old $400,000,000 loss limit.

I am taking the liberty of suggesting below for your consideration an outline of the sort of note which we might submit to the State Department (and which you might wish to transmit to the Dominions Office) within the next few days:

(a) Reference the State Department memorandum of August 10th and the exchanges referred to in that memorandum, with particular reference to the State Department's memorandum of May 26th (and the corresponding Dominions Office document)[105] taking note of our reservations with respect to the original agreement.

(b) It is the understanding of the Canadian authorities that their commitment for financing the provision of supplies and sharing in the ultimate cost incurred under these arrangements terminated upon completion of August loadings (and the corresponding date for completion of military distribution of petroleum products for civilian use).

(c) It is understood that the Combined Military authorities have determined to terminate their responsibility for supplying the civilian populations of France, Belgium, Luxembourg, the Netherlands, Denmark, Norway, Greece, Yugoslavia, Albania and Italy on or before the completion of August loadings for all civilian supplies (except petroleum products which they will continue to distribute to Denmark, Norway, Holland, Belgium, Luxembourg and Italy until October 1st). Accordingly, it is considered by the Canadian authorities that Canada's commitment to finance the procurement of supplies or to share in the ultimate cost for any of these areas under the existing agreement did not extend beyond supplies loaded on or before August 31st (and the corresponding date for distribution of petroleum products) since any supplies required for loading after that date could not properly be regarded as "military relief" and since the Canadian Government would not be prepared to approve the inclusion of such further supplies within the existing arrangement.

(d) In respect of Germany and Austria it is considered by the Canadian authorities that upon completion of the division of these countries into the several zones it became improper and impracticable for the Canadian authorities to participate in the determination of requirements for occupation purposes and that, accordingly, it became inappropriate for the Canadian authorities to retain any direct responsibility for sharing in the financing of the provision of such supplies as might be required after completion of August loadings. In the event that any of the occupying Powers require supplies available from Canada the Canadian authorities will be prepared to discuss with the occupying Power concerned, possible financial arrangements under which such supplies might be procured in Canada.

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[105] Voir le document 1111.
See Document 1111.

(e) For the purpose of distributing the ultimate net cost of the military relief supplies which had been provided on a combined basis up to the completion of August loadings (and the corresponding date for distribution of petroleum products) the Canadian authorities (would be prepared to accept) (are unable to accept) (have under consideration) the proposal set forth in paragraph 3 of the State Department's memorandum of August 10th for the distribution of such amounts as prove to be irrecoverable in excess of the total sum of $400,000,000 already covered in the original agreement.

(f) The Canadian authorities are willing to discuss with the authorities of the United States (and of the United Kingdom) any minor variations from the terminal dates indicated above which may be required administratively to avoid undue complication of supply arrangements or of accounting procedures.

It may be that under paragraph (c) or elsewhere in such a note you would be prepared to say something about what, if any, assistance Canada is prepared to render to Italy on some basis or other to enable the Italians to meet their minimum relief needs until UNRRA can take over.

You will recognize that the above is a very rough and hasty draft prepared without full knowledge of the thinking in Ottawa on this subject and I am putting it forward to you for your comments or for your suggestion of an alternative form of note. As indicated above I feel that we should provide the State Department with something very shortly to avoid any misunderstanding and in order to protect our position.

I might add that the United Kingdom representatives here have not yet received any indication of London's reaction to the State Department's proposal that the United Kingdom accept 21 per cent of the losses above $400,000,000. They suspect that Keynes may intend to include this subject in his discussions with the United States and Canada. Ends.

1143. DEA/7510-40

Le sous-secrétaire d'État aux Affaires extérieures au conseiller financier, le haut commissariat de Grande-Bretagne

Under-Secretary of State for External Affairs to Financial Adviser, High Commission of Great Britain

Ottawa, September 18, 1945

Dear Mr. Munro,

I refer to the aide-mémoire which you presented on the subject of "Finance of Procurement for Germany"[104] and to your letter of August 27th.

The question of undertaking financial responsibility for supplies procured in Canada for use in the British occupied zone of Germany was considered by the Mutual Aid Board and the decision reached that the Canadian authorities are not in a position to undertake any responsibility for relief outside of UNRRA.

[104] Voir la pièce jointe, document 1124.
See enclosure, Document 1124.

It is felt that, with the announcement by the Combined Military authorities that military responsibility terminated on completion of August loadings (except for petroleum products which will be distributed to several countries until October 1st), the Canadian commitment under military relief terminated upon completion of August loadings and on the corresponding date for completion of military distribution of petroleum products for civilian use. We have so advised the Dominions Office and the United States State Department.

We, therefore, do not feel able to assume any new direct responsibility for the financing of relief supplies for Germany. You will appreciate that policy for distribution of relief is centered in the Allied Control Commission and the Zone Commanders. While it is the declared intention to recover the cost of essential imports into Germany from the proceeds of German exports, it is far from certain whether this intention can be fulfilled under the existing inter-Allied arrangements. We have no share in the determination of policy in these matters and we, therefore, feel that the United Kingdom authorities should themselves finance the procurement of these supplies in accordance with the general financial arrangements covering United Kingdom purchases from Canadian sources.

Yours sincerely,

N. A. ROBERTSON

1144. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3265 Ottawa, September 10, 1945

Following for Ritchie from Pierce, Begins: Your WA-4666 of September 6th, military relief.

Will you submit to the State Department the following note, Begins:

(a) Reference the State Department memorandum of August 10th[107] and the exchanges referred to in that memorandum, with particular reference to the State Department's memorandum of May 26th (and the corresponding Dominions Office document)[108] taking note of our reservations with respect to the original agreement.

(b) It is the understanding of the Canadian authorities that their commitment for financing the provision of supplies and sharing in the ultimate cost incurred under these arrangements did not extend beyond completion of

[107] Voir le document 1131.
See Document 1131.

[108] Voir le document 1111.
See Document 1111.

August loadings (and the corresponding date for completion of military distribution of petroleum products for civilian use).

(c) It is understood that the Combined Military authorities have determined to terminate their responsibility for supplying the civilian populations of France, Belgium, Luxembourg, the Netherlands, Denmark, Norway, Greece, Yugoslavia, Albania and Italy on or before the completion of August loadings for all civilian supplies (except petroleum products which they will continue to distribute to Denmark, Norway, Holland, Belgium, Luxembourg and Italy until October 1st). Accordingly, it is considered by the Canadian authorities that Canada's commitment to finance the procurement of supplies or to share in the ultimate cost for any of these areas under the existing agreement did not extend beyond supplies loaded on or before August 31st (and the corresponding date for distribution of petroleum products) since any supplies required for loading after that date could not be regarded as "military relief".

(d) In respect of Germany and Austria it is considered by the Canadian authorities that upon completion of the division of these countries into the several zones, it was impracticable for the Canadian authorities to bear any direct responsibility for sharing in the financing of the provision of such supplies as might be required after completion of August loadings. In the event that any of the occupying Powers require supplies available from Canada the Canadian authorities will be prepared to discuss with the occupying Powers concerned, possible financial arrangements under which such supplies might be procured in Canada.

(e) For the purpose of distributing the ultimate net cost of the military relief supplies which had been provided on a combined basis up to the completion of August loadings (and the corresponding date for distribution of petroleum products) the Canadian authorities have under consideration the proposal set forth in paragraph 3 of the State Department's memorandum of August 10th for the distribution of such amounts as prove to be irrecoverable in excess of the total sum of $400,000,000 already covered in the original agreement. Ends.

With reference to your suggestion that we might wish to say what assistance Canada is prepared to render to Italy on some basis or other to enable the Italians to meet their minimum needs until UNRRA take over, we think it best to omit this from the note. We can consider the matter later.

We propose to send a similar note to the Dominions Office but will await the decision of the Mutual Aid Board on para. (e). Ends.

1145. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-3342 Ottawa, September 15, 1945

Our EX-3265 of September 10th,† military relief.

With reference to paragraph (e) of the suggested note to the State Department will you please now advise the United States authorities that the Canadian Government accepts the proposal set forth in paragraph 3 of the State Department's memorandum of August 10th[109] for the distribution of such amounts as may prove to be irrecoverable in excess of the total sum of $400,000,000 already covered in the original agreement.

The above decision was taken at the Mutual Aid Board meeting yesterday. The Board also considered the question of undertaking financial responsibility for supplies for the British zone of occupation in Germany. It decided that we were not prepared to assume any responsibility for relief outside UNRRA.

1146. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-4893 Washington, September 19, 1945

Following for Pierce from Ritchie, Begins: Your EX-3209 of September 4th, notification to the Italian Government of liability to pay for Military Relief supplies.

The United Kingdom Embassy has now informed the State Department that the modified note and the proposed oral remarks are satisfactory to the United Kingdom Government.

Accordingly discussions are proceeding on the arrangements for the actual presentation of the notes. The United Kingdom authorities will almost certainly make their presentation in Rome since they feel that the Italian representative in London is not sufficiently conversant with the subject. The telegram which the United Kingdom Embassy has received indicates that the United Kingdom Government would be pleased to present a note at the same time on behalf of the Canadian Government if you so desire. In view of the fact that the language of the note and of the remarks has now been agreed on I assume that you will communicate to the Dominions Office a request for them to make the notification on our behalf. Since the United Kingdom note is to be presented in Rome I should think that it would be desirable to provide the Dominions Office with the formal Canadian note to the Italian Government as soon as possible in order that it might be transmitted to Rome for presentation along with the United Kingdom note which is likely to be presented within a very short time. The actual date of the presentation has not yet been determined.

I should say that in advising the State Department and the United Kingdom Embassy that the proposed note and oral remarks were acceptable to us I

[109] Voir le document 1131.
See Document 1131.

indicated, in accordance with your teletype, that "in the event that it is decided to make an oral observation at the time of the presentation relating the Military Relief claim to the peace treaty discussions, the Canadian authorities would expect to be kept informed of any settlement proposed in the peace treaty discussions of the claim of the United States and United Kingdom against Italy for Military Relief supplies provided under the combined arrangement, since any decision of this nature would affect the ability of the Canadian Government to secure a settlement of its share of the joint claim." Ends.

1147. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 218 Ottawa, September 22, 1945

SECRET. Reference notification by United Kingdom, United States and Canada to the Italian Government of liability to pay for military relief supplies.

I am informed by the Canadian Ambassador in Washington that the United Kingdom and the United States Governments have agreed to present their notes on the above-mentioned matter in the near future and, since Canada is not directly represented in Italy, the United Kingdom Government has indicated willingness to present a note on behalf of the Canadian Government at the same time.

The Canadian Government would appreciate it if the United Kingdom Government would present on its behalf to the Italian Government the following note which is identical with the note agreed to by the United Kingdom, the United States and Canada, Begins:

"In the course of military operations on the European continent, the combined armies of the Allies have imported into Europe certain basic supplies for the civilian population of the countries which have been liberated from German domination. These supplies for civilian use have been procured by the Governments of the United States, of the United Kingdom, and of Canada, and have reached the people in the liberated countries through or for the account of their Governments. The supplying Governments expect that the Governments of the recipient countries will pay the costs of such civilian supplies, including, in the case of Italy, all such supplies delivered since July 10th, 1943.

Bills will be presented to your Government by the Supreme Allied Commander through whom civilian supplies are furnished. While as a matter of convenience, these bills will be presented in terms of United States dollars, your Government will be asked to pay in currencies acceptable to the supplying Governments.

The supplying Governments expect the Government of Italy to make payment of each bill rendered to it for civilian supplies furnished to Italy on the

basis that the amount of each bill is final for the quantities of civilian supplies covered thereby. The amounts due will be based on quantitative records of the supplies furnished to Italy and on landed costs of the commodities delivered in Italy, as maintained and computed by the combined military authorities. Prices will be calculated so as to cover all costs of these commodities to the supplying Governments, including transportation to the point where these supplies reach Italy. Should any costs be incurred by the military authorities beyond that point, such as cost of inland transport, separate billings will be made to the Italian Government in order to cover such additional expenses incurred for the account of Italy.

At the time of the first billing by the Combined Allied Military authorities, your Government will be advised as to the procedure to be followed in making payments.

It is understood that the British and United States Governments are addressing similar communications to your Government." Ends.

The Canadian Government would appreciate it if, in the event that it is decided to make an oral observation at the time of the presentation relating the Military Relief claim to the peace treaty discussions, the Canadian authorities could be kept informed of any settlement proposed in the peace treaty discussions of the claim of the United States and United Kingdom against Italy for Military Relief supplies provided under the combined arrangement, since any decision of this nature would affect the ability of the Canadian Government to secure a settlement of its share of the joint claim.

1148. DEA/2295-AH-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM SAVING 11 London, October 2, 1945

SECRET. Your telegram of 22nd September No. 218. Notification to Italian Government of liability to pay for military relief supplies.

1. His Majesty's Ambassador at Rome has been instructed to present note on behalf of Canadian Government at same time as he presents corresponding note on behalf of United Kingdom Government.

2. As regards last paragraph in your telegram United Kingdom Government will of course keep Canadian Government informed of any proposed arrangements. As Canadian Government are aware, United Kingdom proposals in draft Heads for Peace Treaty with Italy put forward to Council of Foreign Ministers (my telegram of 31st August Circular D. 1604† and connected correspondence) contained provisions that Italy should accept as a debt payable by her, the value of supplies delivered for civilian consumption since September 1943 by any of the Associated Powers, and that the payment for such should form a prior charge on Italian ability to pay.

1149. DEA/7510-40

Le haut commissaire adjoint de Grande-Bretagne au sous-secrétaire d'État par intérim aux Affaires extérieures

Deputy High Commissioner of Great Britain to Acting Under-Secretary of State for External Affairs

915/305 Ottawa, October 11, 1945

Dear Mr. Wrong,

With reference to Mr. Robertson's letter to Mr. Munro of the 18th September and my letter to Mr. Robertson of the 20th September† we have now been asked by the Secretary of State for Dominion Affairs to inform the Canadian authorities that the Minister of Food has been authorised to undertake immediate purchase of wheat in Canada against the requirement of wheat for the British Zone in Germany. This is being done without prejudice to any future arrangements that may result from a general discussion of the trade of Germany when the unified scheme has been established on a quadripartite basis.

Yours sincerely,

STEPHEN HOLMES

1150. DEA/2295-AH-40

Le ministre des Pays-Bas au secrétaire d'État aux Affaires extérieures

Minister of The Netherlands to Secretary of State for External Affairs

No. 2061 Ottawa, November 14, 1945

Sir,

With your note of the 4th of April 1945[110] you informed me that the Canadian Government and the Governments of the United States and of the United Kingdom expected the Netherlands Government to pay the cost of supplies imported by the combined armies of the Allies for the civilian population of the Netherlands in Europe.

So far the Netherlands Government have refrained from making comments on this matter, as it was impossible to foresee or estimate what, on the one hand, would be the total cost of these military imports and the amount of foreign exchange needed by the Netherlands Government for further relief, rehabilitation and reconstruction of the country, and what, on the other hand, would be left of the Netherlands assets and productive resources after the liberation.

Even at the present moment, it is difficult to obtain a complete survey of these factors, but it has become clear enough that the situation is far worse than could have been expected.

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[110] Voir le document 1102.
See Document 1102.

It may be recalled that military operations in the Netherlands lasted about eight months. Apart from the destruction caused directly by the fighting, the Germans had ample time to plan and did carry out extensive demolition and looting of factory equipment, means of transport, harbour-installations etc. Many powerstations and innumerable bridges have been blown up; extensive areas of the most fertile land in Holland have been flooded.

The flooding of the island of Walcheren, carried out by Allied bombers in September 1944 represents another major disaster. The island is still under water, and even when this has finally been pumped out, no crops can be expected for several years. The island used to produce a food surplus, but for years to come its population will have to live entirely on imported food. It has as yet not been possible to give an estimate of this damage in terms of money.

The Netherlands Government also wish to draw the attention of the Allied Governments to the consequences of the general railway strike, which was called by the Netherlands Government then in London on behalf of the Allied Supreme Command, on the 17th of September 1944. As is generally known, the call was immediately answered by all employees, who maintained their attitude unflinchingly until the very end in the face of the most cruel reprisals. Through this active and sustained assistance to the Allied cause, the people of the Netherlands have brought serious hardships upon themselves, and the German terror with its looting, murders and deportations, reached its culminating point with this strike. The distribution of food and fuel was completely dislocated, so that rations in the big cities soon dropped far below the necessary minimum. Actual starvation set in. Practically no distribution of fuel took place during the winter months of 1944, and gas and electricity failed in one city after the other. Thus, when the German collapse finally came, the situation in the Netherlands was, owing to these circumstances, incomparably worse than in any other liberated country in western Europe.

The day that the first Allied bombers dropped food over their cities, will live in the memories of the people of the Netherlands and a lasting impression was created by the efficient military organisation, which poured vast supplies into Western Holland immediately after the German capitulation.

The actual quantities of these supplies have been and had to be very considerable; they were far larger than those which had to be supplied to other countries in Western Europe. Another detrimental factor was that the special situation in the Netherlands required expensive emergency foodstuffs such as biscuits and canned vegetables, which were therefore brought in vast quantities.

The total cost—expressed in money—of these so-called "civil affairs imports" is not yet known to the Netherlands Government, but it is feared to be a very high figure indeed, and particularly in relation to the country's diminished resources.

Now that the Netherlands Government themselves purchase and import directly all further relief brought into the country and also must find the foreign exchange for an extensive import-programme for the rehabilitation of

the country's agriculture, industries, and for reconstruction in general, all available assets will have to be mobilized. At the same time, funds will have to be borrowed abroad to the limit of what can actually be repaid in the future.

The Netherlands Government therefore—fully conscious that such a request can only be founded on dire necessity—have after careful consideration decided to ask the Canadian Government and the Governments of the United States and the United Kingdom to reconsider whether it would be in the interest of all parties concerned to insist on payment for the civil affairs supplies distributed in the Netherlands, taking into account the special factors and circumstances set forth above.

Similar notes are addressed to the Governments of the United States of America and of the United Kingdom.

Accept etc.

SNOUCK HURGRONJE

1151. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in the United States

TELETYPE EX-3938 Ottawa, November 15, 1945

Following for Ritchie from Pierce, Begins: Military Relief.

We have received a note, copy of which is being referred to you, from the Netherlands Government asking that Canada, the United States and the United Kingdom "reconsider whether it would be in the interest of all parties concerned to insist on payment for Civil Affairs supplies distributed in the Netherlands." A similar note has been sent to the United States and the United Kingdom.

As you know, we have taken for granted that the Netherlands would pay for military relief. Our first reaction is that, if the Netherlands finds it difficult to pay for all relief, their recourse should be to UNRRA where the burden will be borne by all contributors in the agreed proportions.

Moreover, we have formally agreed to pay the Netherlands Government for supplies and services which they furnished the Canadian Army. We feel that the Netherlands Government should, in turn, pay for the supplies which the Canadian Army furnished the Netherlands.

The question will no doubt shortly go before the Mutual Aid Board. We would welcome your views and would be greatly interested in learning, if possible, the United States and United Kingdom reactions to the note.

In any event, we assume that neither the United States nor the United Kingdom would reply before there has been consultation with us with a view to agreeing on the substance of our replies. Ends.

1152. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5965 Washington, November 27, 1945

Following for Pierce from Ritchie, Begins: My WA-5534 of October 27th,† Military Relief, with particular reference to arrangement made by United States with Belgium for transfers to Lend-Lease.

I attended a further meeting with the State Department and the United Kingdom Embassy representatives on Friday, November 23rd. The following is the gist of a report of the discussion which was approved by the State Department representatives yesterday, as an accurate record of the discussion on principal points:

(a) The State Department produced a statement showing the value of estimated deliveries to all countries in Europe under the Military Relief arrangement through August 1945. Copies of this statement† are being sent to you by bag.

(b) According to this statement estimated deliveries to Belgium, France and the Netherlands, during July and August from all sources, amounted to 31, 16 and 48 million dollars respectively. Of these totals, the contributions from United States sources amounted to 24, 16 and 31 million dollars respectively. The estimate of deliveries to Belgium is based on a statement from the Belgian Government of supplies received during this period. The estimate for the Netherlands (which does not include certain supplies furnished from the stockpile which had been accumulated for relief of that part of the Netherlands which was last liberated) was compiled from a report of the United States Embassy in The Hague on the basis of information from military authorities. The estimate for France includes no allowance for coal.

(c) The United Kingdom and Canadian representatives at the meeting pointed out to the State Department that, in the absence of details of actual issues by military authorities during July and August, too much reliance should not be placed on these estimates.

(d) The State Department agreed that any figures produced at this stage must, of necessity, represent only a best estimate but that, nevertheless, they were satisfied that the figures reflected with sufficient accuracy for present purposes the order of magnitude of the amounts in question. In the circumstances, the State Department undertook not to transfer to Lend-Lease more than $75,000,000 worth of Military Relief supplies provided within the combined arrangement to northwest European countries without further and prior consultation with the United Kingdom and Canadian authorities. In view of the lack of confidence expressed by the United Kingdom and Canadian representatives in any estimates of deliveries which might be prepared at this

stage both the United Kingdom and Canadian representatives thought that a ceiling limit on the lines suggested by the State Department might be preferable to any dependence on estimates and indicated that they would request an early indication of their Governments' views.

(e) The State Department also indicated that they were considering which of the following accounting methods they should adopt in dealing with such civil supplies, delivered in July and August, as might be transferred to a Lend-Lease basis:

1. To render bills on a combined basis to recipient Governments for all materials delivered with a subsequent notification to the recipient Government concerned that a certain portion (representing either the United States dollar share of the combined bill for these two months or the value of deliveries actually from United States sources during the two months) would be dealt with by a transfer to Lend-Lease, or

2. To omit from combined billing altogether, such quantities of United States goods as, after calculation, the United States decides to transfer to Lend-Lease.

(f) In reply to the State Department's enquiry as to which method would seem most satisfactory, the Canadian and United Kingdom representatives expressed the view that the submission of a comprehensive combined bill (i.e. alternative 1 above) would be preferable but that they would ask their Governments for advice on this point. Ends.

1153. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affaires

TELETYPE WA-5994 Washington, November 29, 1945

Following for Pierce from Ritchie, Begins: My WA-5953 of November 27th concerning note received from Netherlands Government on Military Relief. The following is the text of the communication received by the U.K. Embassy from the Foreign Office, Begins:

"We have received similar communication which is reply to our note of April 3rd, 1945.

Gist of Dutch note is an appeal to be relieved of payment for these supplies. They do not claim in so many words that they cannot afford to make payment, but they state that their resources will be fully committed to meet the cost of imports on their own account and they ask us to reconsider 'whether it would be in the interest of all parties concerned to insist on payment for the Civil Affairs supplies distributed in the Netherlands.'

The United Kingdom could not of course waive their claim for payment against the Dutch nor admit in principle that the Dutch had a case for special treatment. We imagine that the Americans and Canadians will take the same

view. His Majesty's Government would be prepared, however, when the detailed bills are presented, to consider as sympathetically as possible any representations which the Dutch may wish to make in respect of particular items included in the bills. The actual terms of the reply to be sent to the Dutch Government by the three Governments will, of course, require very careful consideration.

Please urgently report reactions of Canadian authorities and those of Americans as soon as latter receive Dutch note." Ends.

The State Department official concerned informed me this morning that they have not yet received the Dutch note. Message ends.

1154. DEA/2295-AH-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4140 Ottawa, December 6, 1945

Following for Ritchie from Pierce, Begins: Your WA-6105 of December 5th[†] and WA-5965 of November 27th, military relief.

1. We agree that a ceiling limit on lines suggested by State Department is preferable to dependence on estimates.

2. We agree that submission of a comprehensive combined bill, i.e., alternate 1. is preferable.

1155. DEA/2295-AH-40

L'ambassadeur aux États-Unis au secrétaire d'État
aux Affaires extérieures

Ambassador in United States to Secretary of State
for External Affairs

TELETYPE WA-6214 Washington, December 12, 1945

Following for Pierce from Ritchie, Begins: My WA-6105 of December 5[†] and your EX-4140 of December 6, Military Relief.

The discussion with representatives of the United Kingdom Embassy and the State Department on December 7th arrived at no conclusion as the United Kingdom representatives had not received a reply from London on the proposals previously put forward concerning the arrangements to be made by the United States with Belgium and other northwest European countries for transfering certain Military Relief supplies to Lend-Lease. At the meeting I reported orally the views of the Canadian authorities as set forth in your EX-4140.

The State Department officials at the meeting indicated that they had now received copies of the note from the Netherlands Government to which reference was made in my WA-5904 of November 24[†] and WA-5994 of November 29th. Discussion of the reply to be made to this note is likely to be delayed until agreement has been reached on the question of the Lend-Lease transfer question referred to above as it is felt that a willingness on the part of the United States to make such an arrangement with the Dutch might lessen their desire to have a reconsideration of their obligation to pay for the balance of the Military Relief supplies.

The meeting also considered the proposal which had been put forward for the establishment of a Combined Military Relief Billing Committee on which we shall send off a despatch to-day. Ends.

PARTIE 2/PART 2

ADMINISTRATION DES NATIONS UNIES POUR LE SECOURS ET LA RECONSTRUCTION (UNRRA) UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION (UNRRA)

SECTION A

RÉUNION DU CONSEIL, MONTRÉAL COUNCIL MEETING, MONTREAL

1156. DEA/2295-Q-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1321 Washington, March 3, 1944

Following for Robertson from Pearson, Begins: I attended a meeting of the Central Committee of U.N.R.R.A. this morning to consider that item of the agenda which concerned the Iran request for help in respect of medical supplies, etc. It was decided that this matter should be referred back to Teheran for further information as to what was already being done by the Governments of the United Kingdom, United States and Russia before a decision on policy could be reached.

2. I was also asked to participate in the discussion of the site for the next meeting of the Council, because the Central Committee were considering Canada in this connection. I was asked to make informal and noncommital enquiries as to whether the Canadian Government would favour the next meeting of the Council being held in Canada. The tentative date is June 15th,

though it could be a week or so after that date if other considerations made that necessary. The next meeting will not be as formal, as large, or as imposing as the Atlantic City meeting.[111] Whereas there were some five or six hundred in attendance at Atlantic City, it was thought that the next meeting of the Council could be restricted to 150 to 250, including members of the Secretariat. It was also thought that the next meeting should not last longer than a week or ten days. Further more, whereas the host Government at Atlantic City had been responsible for organizing the meeting, U.N.R.R.A. itself would undertake this task at the next meeting. The Central Committee thought that possibly some place like the Seigniory Club or the Mont Tremblant Lodge would be suitable, but they naturally decided not to make any further enquiries until they had ascertained what the wishes of the Canadian Government were in this matter. I asked the Director General what would be the obligations of our Government if the meeting were held in Canada. He said that all that would be required would be the goodwill of the Canadian Government, their good offices in securing a suitable hotel, and the appointment of a few persons who might act in a liaison capacity to ensure that there were adequate facilities available, telegraph, press, etc. Will you please let me know as soon as possible whether the Canadian Government would approve in principle of the holding of the next meeting of the Council in Canada, and, if so, let me have any advice that might be available as to a suitable place? My own view is that, as this would not entail much additional work or responsibility, we should welcome the holding of the session in Canada. I am of the impression that the Mont Tremblant Lodge would be a suitable place, but would be glad to have information on this point. Brooke Claxton would be able to help us on this. Ends.[112]

1157. DEA/2295-Q-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-1134 Ottawa, March 16, 1944

IMMEDIATE. Following for Pearson from Wrong. I have just heard from Laurier House that Mr. King is quite ready for the next meeting of the Council of UNRRA to take place in Canada if arrangements can be made for accommodation at a suitable country place such as the Seigniory Club or Mont Tremblant. If, therefore, the Canadian Government is approached on behalf of UNRRA an invitation will be extended.

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[111] Voir le volume 9, documents 706, 712 et 714.
See Volume 9, Documents 706, 712 and 714.

[112] La note suivante était écrite sur cette copie du télétype:
The following note was written on this copy of the teletype:
I'd like to get the UNRRA legislation through and have the funds voted before raising the question of a Conference in Canada. N. A. R[OBERTSON] 8-3-44.

1158. DEA/2295-Q-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1727 Washington, March 20, 1944

IMMEDIATE. Forthcoming meeting of UNRRA Council. I have received the following message from the Acting Director General, Begins:

It will be appreciated if you will transmit to the Secretary of State for External Affairs of Canada the enclosed note concerning the convening of the Second Session of the Council of the United Nations Relief and Rehabilitation Administration. Two copies of the note are enclosed also, one for the files of the Embassy and the other for the representative of the Canadian Government on the Council.

In transmitting the note you may wish to say that the Administration would welcome the good offices and cooperation of your Government in matters pertaining to the proposed meeting of the Council. The necessary expenditures would of course be met by the Administration and by the member Governments. Ends.

Note referred to in above communication is as follows, Begins:

Preliminary plans are now being made for the Second Session of the Council of the United Nations Relief and Rehabilitation Administration which is to be convened by the Central Committee in June of this year. The suggestion has come informally from several sources that this Session of the Council be held in Canada. I need not say to you that the suggestion is receiving strong support within the Administration.

Before proceeding to fix the time and place of the Session, I should like to have the views and counsel of the Government of Canada. It will be appreciated, therefore, if you will inform me whether your Government would welcome a plan to hold this Session of the Council in Canada. Ends.

1159. DEA/2295-AQ-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-1208 Ottawa, March 21, 1944

IMMEDIATE. Your WA-1727 of March 20, forthcoming meeting of UNRAA Council.

Please inform the Acting Director General that the Government of Canada cordially welcomes the proposal that the next session of the UNRRA Council

should take place in Canada and that the Government will be glad to discuss questions relating to the time and place of the meeting with officials of UNRRA.

1160. DEA/2295-AQ-40

Le directeur général, UNRRA, au Premier ministre

Director General, UNRRA, to Prime Minister

Washington, May 16, 1944

My dear Mr. Prime Minister,

At a meeting held yesterday the Central Committee of the United Nations Relief and Rehabilitation Administration resolved, in view of the special limitations on travel and communication now temporarily in effect, to postpone the Second Session of the Council previously convened for Friday, June 23, 1944, at Montreal. News of this postponement will be released to the press in Washington, D.C., at nine o'clock, Tuesday evening, May 16, for publication in Wednesday morning's papers. Member governments are being advised today of this decision.

Permit me, in communicating this decision, to express my warm appreciation for the unfailing assistance and co-operation of your Government in helping to prepare for the Second Session of the Council and the hope that you will find it possible to be present and address the opening meeting of the Session on the date to be determined.

The Central Committee will follow the situation closely and will set the new date at the earliest practicable time after consultation with your Government.

I am etc.

HERBERT H. LEHMAN

1161. DEA/2295-Q-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-3729 Washington, June 20, 1944

The removal of the ban on trans-Atlantic communications which was announced this morning from London will probably make it possible to fix a definite date for the forthcoming U.N.R.R.A. council meeting. This date has tentatively been set for on or about September 12th.

1162. DEA/2295-Q-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4579 Washington, August 3, 1944

An informal meeting was held in Governor Lehman's office Tuesday morning and afternoon for the purpose of giving the United Kingdom and United States members of the Central Committee an opportunity to present to the Director-General their agreed views on the general conduct of the second meeting of the U.N.R.R.A. Council in Montreal. Acheson and Law attended with members of their staffs. Ritchie, who was present from this Embassy, reports as follows:

Acheson expressed the view, in which Law concurred, that there was a very great danger of panic and separatism developing at this Council meeting unless careful plans covering the scope and tone of the meeting are prepared in advance. Clearly the report and address of the Director-General will be very influential in determining the course of the discussions in the Council. There would be alarm and claims for special privileges if the view became prevalent that U.N.R.R.A.'s supplies and financial resources were not adequate to satisfy all claims. Acheson would not suggest that supplies are necessarily known to be adequate but he urged the desirability of avoiding any suggestion in the Council that supplies are known to be inadequate. There are too many uncertainties to permit of any accurate general assessment of the position at this time. Law added the remark that while the final position cannot be known now, we can at least be certain that the resources which U.N.R.R.A. has at present are quite adequate for what U.N.R.R.A. can do at present. Since Acheson and Law could see no cause for alarm in the present situation they proposed for Lehman's consideration certain measures for allaying fears at the Council meeting:

1. No precise balance sheet should be issued at this Council meeting.

2. Favourable developments in the general supply position should be stressed including references to the promising discussions now under way concerning the procurement by U.N.R.R.A. at bargain prices of Army and other surplus property in this country and to the imminent availability of supplies from occupied enemy territory.

3. The United States and United Kingdom Army Civil Affairs representatives might be asked to address a closed executive session of the Council in order that the members might appreciate the extent to which the immediate needs of their countries are being looked after.

4. Finally it should be stressed that the success of U.N.R.R.A. in getting additional appropriations and supplies at a later stage will be largely determined by the record which can be achieved by that time. It is therefore

essential that this session of the Council should not create the impression that U.N.R.R.A. is a divided and ineffectual organization not deserving of further support by the participating Governments.

Governor Lehman in reply emphasized that he was anxious not to encourage alarm but at the same time he could not conceal his real concern over the position which was developing. In particular he was worried by the situation which would be created by a general collapse in Europe eliminating the usual period of military operations in which the military would have assumed responsibility for relief. The size of the requests from some of the liberated areas (e.g., Greece at something like 450,000,000 dollars) was also giving some concern even though it was realized that these requests might subsequently be reduced. In addition the continuing lack of any definite classification of the various areas as paying or non-paying left a large element of uncertainty in U.N.R.R.A.'s future plans. Finally, Governor Lehman stressed the fact that the insistence of various national Governments on their right to have 90 percent of their contribution spent on procurement at home would have a restrictive effect on general procurement, particularly as some of the countries (e.g. the United Kingdom) and some Latin American countries could not provide supplies equivalent to the remaining 90 percent of their contribution in the near future.

Governor Lehman added that it was doubtful whether complete harmony could be maintained in any case, since the subject of supplies to ex-enemy territory would probably come up under item 6 of the provisional agenda.[113] Acheson and Law interrupted to say that this subject, particularly in the case of Italy, is now under discussion between the United States and the United Kingdom and they expressed the hope that it would not arise at the General Council Session.

Governor Lehman concluded by saying that he attached much weight to the argument put forward by Acheson and Law, but, in view of his own concern over the position, he would require some time to think over the suggestions before indicating whether or not he would accept them. He undertook to make a decision before the end of the week. He will probably see Law and Acheson at 9.30 Friday morning, August 4th. Plumptre and Ritchie will attend.

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[113] Le sixième sujet de l'ordre du jour provisoire se lisait comme suit:

The sixth item of the provisional Agenda was as follows:

> Scale and return of operations in enemy or ex-enemy areas, and with respect to displaced persons of enemy or ex-enemy nationality.

1163. DEA/2295-Q-40

Mémorandum du ministère des Affaires extérieures[114] *au sous-secrétaire d'État aux Affaires extérieures*[115]

Memorandum from Department of External Affairs[114] *to Under-Secretary of State for External Affairs*[115]

Ottawa, August, 1944

UNRRA MEETING IN MONTREAL

1. Teletype WA-4579 of August 3rd contains some very disturbing information concerning which I think early discussion is desirable.

2. The weakness of UNRRA lies in the absence of popular support and cannot be remedied except by publicity which Governments may dislike because it will force their hands in some circumstances.

3. The United States and United Kingdom arguments are, on the whole, opposed to publicity and they represent an attempt by two member countries to influence the Director-General of UNRRA behind the backs of other member countries. This puts the Director-General in the awkward position of having to engage in discussions which other members may consider disloyal to them or to offend the representatives of Great Britain and the United States. The teletype does not make it clear whether any other countries than Canada were represented at these discussions.

4. One can hardly imagine anything better calculated to arouse suspicion and uneasiness than reticence and evasion concerning the extent of UNRRA's resources. These resources have two distinct aspects—(a) physical and (b) financial, yet the United Kingdom and United States representatives suggest that no precise balance sheet should be issued at the Council meeting. By implication this means that if members press for information on this subject they are to be put off in one way or another.

5. The United Kingdom and United States representatives also suggest that favourable developments should be stressed and by implication that unfavourable developments should not be stressed. This amounts to little more than requesting someone in a fiduciary capacity to give false information by means of *suppressio veri* rather than by more explicit forms of deception.

6. A closed executive session of the Council is suggested at which information will be given about military relief. I am not clear whether Canada would be entitled to attend this meeting on the ground that it affected a supply matter and I am not clear whether my status at the Conference would enable me to

[114] L'auteur de ce mémorandum était probablement H. F. Angus.
The author of this memorandum was probably H. F. Angus.

[115] La note suivante était écrite sur ce mémorandum:
The following note was written on the memorandum:
Mr. Claxton to see and return. R[OBERTSON] I think we sh[oul]d have a meeting with Angus when Pearson is next in town.[116]

[116] Aucun procès-verbal d'une telle réunion ne fut trouvé.
No record of such a meeting was located.

attend as a member of the Canadian delegation. One of the Director-General's apprehensions is that if Europe is liberated very rapidly the military relief period may be shortened. The physical supply situation would not be prejudiced by the shortening of the military relief period but the financial situation might be, because supplies which would have been paid for out of military appropriations would have to be paid for out of the limited resources of UNRRA. This question might easily be raised at the closed executive session and it is one for which we should be prepared. It seems to me fantastic that if the liberating powers find to their agreeable surprise that military operations are shortened, they should decrease their contribution to relief because of the accounting difficulty involved in using a military appropriation. It might also be pointed out that the expectation has been that 80% of the primary financial cost of military relief would be recovered in the course of the distribution of the relief.

7. The next point raised by representatives of the United Kingdom and United States is of a very defeatist character. They say that it is essential that the session of the Council should not create the impression that UNRRA "is a divided and ineffectual organization not deserving of further support by the participating Governments." No one can disagree with this observation but it is possible to dissent very sharply from its use to justify a policy of concealment and evasion. UNRRA will appear less ineffectual if it faces its problems squarely and even if it has to show that its resources will not accomplish all that has to be done, it is hard to understand why anyone should accept this disclosure as a reason for reducing the resources.

8. The Director-General's first point concerns military relief and has already been discussed.

9. His second point concerns the large requests by some countries. If UNRRA's resources are limited, these requests reduce themselves to questions of priorities and while the discussion of such questions is bound to lead to argument in support of competing claims, it is difficult to see why the Council should not deal with the principles that should govern priorities, or why the discussion of these principles should be delegated by means of evasions to the Governments of the United States and the United Kingdom.

10. The Director-General's third point concerns the difficulties that may arise if a country cannot supply goods or services itself as to nine-tenths of its contribution and does not feel able to increase the proportion of its contribution which takes the form of free currency. It is suggested that the constructive solution of this question would consist in the Combined Boards advising as to how the best use could be made of what are in substance blocked balances. They might, for instance, recommend the early re-establishment of parts of the United Kingdom textile industry. Alternatively, countries in a position to make a larger physical supply than can be covered by their financial contribution might be asked to accept from UNRRA payment in blocked currency.

11. The Director-General's final point concerns the controversy which he anticipates over supplies to ex-enemy territory. If UNRRA has kept out of this field because of the rule that enemy countries must pay in full for their

supplies, the practical effect will be to turn it over to military relief, the cost of which is borne in the West by the United Kingdom, the United States and Canada. If UNRRA supplies are really inadequate, there would seem to be no very good reason why these countries should not undertake expressly a burden which will fall upon them in any event and acquire at this stage the prestige which will come from doing so. One cannot say anything about the East without knowing the Russian position.

12. Two practical questions appear to face us:

(a) Should we do anything to strengthen the Director-General's position at the present time?

(b) Should we suggest that the Prime Minister's opening speech should refer directly or by implication to any of the topics mentioned in this memorandum?

1164. DEA/2295-Q-40

Minute d'une réunion du Comité du Conseil privé

Minute of a Meeting of Committee of Privy Council

P.C. 6911 Ottawa, September 1, 1944

The Committee of the Privy Council have had before them a report, dated 1st September, 1944,† from the Secretary of State for External Affairs, stating that the Second Session of the Council of the United Nations Relief and Rehabilitation Administration will meet in Montreal on the 15th September, 1944.

The Committee, therefore, on the recommendation of the Secretary of State for External Affairs, advise that Mr. L. B. Pearson, Minister Plenipotentiary in Washington be designated Canadian member of the Council and that the alternates be Mr. Brooke Claxton, M.P., Parliamentary Assistant to the President of the Privy Council; Dr. Gaspard Fauteux, M.P.; Mr. H. F. Angus, Special Assistant to the Under-Secretary of State for External Affairs; Mrs. R. F. MacWilliams,[117] and Dr. J. G. Bouchard, Assistant Deputy Minister of Agriculture.

A. D. P. HEENEY
Clerk of the Privy Council

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[117]Présidente, la Conférence canadienne sur les services sociaux.
President, Canadian Conference on Social Work.

1165. DEA/2295-Q-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, September 28, 1944

I am enclosing copy of a note by Mr. Angus on the work of the Canadian delegation at the UNRRA Conference. Angus is not given to indiscriminate appreciation of anybody's efforts and underestimates his own. I thought you would be particularly interested in what he has to say about Pearson's work in the first paragraph of his note. I have had confirmation of it from many quarters.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs to Under-Secretary of State for Affairs

CONFIDENTIAL Ottawa, September 27, 1944

CANADIAN DELEGATION AT CONFERENCE

The Second Meeting of the Council of UNRRA in Montreal was a great personal triumph for Mr. Pearson. He not only made an excellent Chairman, both of the Council and of the Policy Committee of the Council, but he was able to do a great deal behind the scenes to smooth out difficulties which might have been serious if they had been dealt with by general discussion. Mr. Pearson was also particularly tactful and efficient in dealing with the press. His achievements were amply recognized at the final meeting, both by a letter from the press† expressing great satisfaction with the way in which news had been communicated to them and by the vote of thanks moved by the member for France, which went far beyond the usual recognition of the services of the Chairman.

Mr. Claxton, as Canadian spokesman at the Council meetings, also won golden opinions and his contribution to the success of the Conference in facilitating the local arrangements made by UNRRA and in leading the Canadian Delegation received general recognition.

Dr. Fauteux and Dr. Bouchard did a great deal to maintain contact with French-speaking Canada and played a very important part in the relations between the Canadian Delegation and the public.

Mrs. McWilliams was of particular help in entertaining the women members of other Delegations and in representing Canada at the Technical Sub-Committee on Welfare. I have asked Mrs. McWilliams to send us a report

of her impressions of the Conference[118] in order than we may be able to see if any matters have come to her attention which are not fully appreciated by the members more closely connected with the Government.

Perhaps I can describe my own services best as those of a spare tire which, fortunately, did not have to be much used.

The Technical Advisers seem to have been well chosen to cover the ground without waste of personnel.

Dr. C. P. Brown[119] was very active in connection with the drafting of the two Sanitary Conventions, with the progress of which I believe he is now fully satisfied. The meetings were very useful in making it possible to establish easy relations between our own Department of Pensions and National Health and the representatives of other Governments concerned with health matters.

Mr. English (Trade and Commerce) found a good deal to do in discussing the purchases which paying countries may wish to make for reconstruction purposes, whether for cash or by means of export credits.

Colonel Browne[120] was able to clear up some matters in connection with the position of Canadian Voluntary Agencies and, in particular, to do something to ensure that any personnel which they may supply to UNRRA will be adequately covered by insurance against injury.

Mr. Wasson and Mr. Heasman, representing the Mutual Aid Board, were able to discuss a number of contracts with the supply officials of UNRRA. Mr. Geddes of Wartime Prices and Trade Board participated in some of these discussions.

Mr. Paterson and Mr. Allen from Washington contributed to the discussion on the relationship of the Combined Boards to UNRRA.

Mr. Chapdelaine made a very efficient secretary and the stenographic work was well done by Miss Strachan and Miss Rivard.

H. F. A[NGUS]

[118]Aucun rapport ne fut trouvé.
No report was located.

[119]Chef, la section (médicale) de la quarantaine et de l'immigration, ministère des Pensions et de la Santé nationa.
Chief, Quarantine and Immigration (Medical) Branch, Department of Pensions and National Health.

[120]Directeur, secours de guerre bénévoles, ministère des services de guerre nationaux.
Director, Volunteer War Relief, Department of National War Services.

SECTION B

FINANCES ET ACHATS
FINANCE AND PROCUREMENT

1166. DEA/2295-R-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

DESPATCH 897 Ottawa, June 17, 1944

Sir,

I have the honour to inform you that the amount of the contribution which Canada is obligated to make under Article V of the Agreement for United Nations Relief and Rehabilitation Administration[121] has been determined to be $77,000,000 Canadian, which is the approximate equivalent of 1% of the national income of Canada for the year ending June 30, 1943. This calculation conforms to the recommendation contained in Section 4 of Resolution 14 of the First Session of the Council of UNRRA.[122]

In accordance with Section 5 of Resolution 14, not less than 10% of the above amount is to be made available to UNRRA in such form of currency as can be expended outside Canada. I am, therefore, enclosing a cheque for $6,886,936.93 United States, in favour of the United Nations Relief and Rehabilitation Administration. This sum is the equivalent in United States dollars of the balance due to UNRRA after deducting from $7,700,000 Canadian the amount of $55,500 which was paid in December 1943 on account of administrative expenses. The present payment, therefore, includes the balance due by Canada for administrative expenses, namely, $250,000.

I shall appreciate it if, when you transmit this cheque to the Director General, you will inform him that, in accordance with Resolution 14, the balance of the Canadian contribution will be in the form of a credit in Canadian currency which will be available for the purchase of supplies and services in Canada. Legislation to provide funds covering this credit has been passed by the House of Commons and is now before the Senate of Canada.[123]

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[121]Voir Canada, *Recueil des traités*, 1943, N° 16.
See Canada, *Treaty Series*, 1943, No. 16.

[122]Voir George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. volume III, New York, Columbia University Press, 1950, pp. 57-8.
See George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. Volume III, New York, Columbia University Press, 1950, pp. 57-8.

[123]Voir Canada, *Statuts*, 8 George VI, chapitre 15. *la Loi sur les crédits de guerre (Aide Mutuelle des Nations Unies)—sanctionnée le 23 juin 1944.*
See Canada, *Statutes*, 8 George VI, Chapter 15. *The War Appropriation (United Nations Mutual Aid) Act, 1944—assented to 23 June, 1944.*

It is hoped that the delay which has occurred in fulfilling Canada's financial obligations under the UNRRA Agreement has occasioned no inconvenience to UNRRA. You may tell the Director General informally that, although the sum of $10,000,000 which has already been voted will not itself suffice to cover orders of any size after the present payment has been made, there should be no hesitation on the part of the Administration in placing orders in Canada as we shall be able to make arrangements to finance these orders pending the passage into law of the Mutual Aid Bill now before Parliament.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1167. DEA/2295-AG-40

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État aux Affairs extérieures

Minister, Embassy in United States, to Under-Secretary of State for External Affairs

Washington, July 5, 1944

Dear Mr. Robertson,

I received the other day a letter from Hendrickson, the Director of the Bureau of Supplies of UNRRA, on certain questions arising out of the last meeting of the Supplies Committee. In this letter, Hendrickson included the following paragraph:

"Incidentally, I hope that you will call the attention of appropriate officials of your Government at Ottawa particularly to the first section of my report' with respect to procurement arrangements in Canada. We are extremely proud of the fine relationship which has developed and appreciative of the cordial and cooperative attitude found not only there but in the person of the Chairman of our Committee. I hope that you will not resist in any way our calling fairly frequent attention to this to other governments because we feel that this model relationship should have a significant and helpful effect in our relationships with other governments. I have in fact asked our information people to prepare at an early date a release which relates to this subject."

I have already referred to UNRRA's feelings about Canadian cooperation in my comments on the last meeting of the Committee, but I thought you might like to have this additional expression of their appreciation.

Yours sincerely,

L. B. PEARSON

1168. DEA/2295-AG-40

L'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au ministre, l'ambassade aux États-Unis

Special Wartime Assistant to Under-Secretary of State for External Affairs to Minister, Embassy in United States

Dear Mr. Pearson,

We have been discussing here means of ensuring that our surplus war assets are offered to UNRRA.

The present plan is for Mr. J. H. Berry, Chairman of the Crown Assets Allocation Committee, to keep Mr. E. E. Wasson, Head of the UNRRA Procurement Division of the Mutual Aid Administration, regularly advised of the supplies which come before his Committee for consideration. It is proposed that Mr. Wasson in turn will regularly advise the UNRRA procurement authorities in Washington with a view to disposing of such supplies to UNRRA if at all possible. Is this procedure acceptable to you?

Insofar as UNRRA programs of requirements submitted to the C.P.R.B. are concerned, we will make arrangements through the Standing Committee of the External Trade Advisory Committee which will ensure that, in consideration of the possibility of meeting these requirements in Canada, account is taken of surplus war assets.

Yours sincerely,

H. F. ANGUS

1169. DEA/2295-AG-40

Le ministre, l'ambassade aux États-Unis, à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Special Wartime Assistant to Under-Secretary of State for External Affairs

Washington, August 25, 1944

Dear Mr. Angus,

The tentative arrangements for bringing surplus supplies to the attention of UNRRA as outlined in your letter of August 14th seem to be most satisfactory.

For the purpose of any discussions which we might have here with the U.S., U.K., or UNRRA it would be useful if we could know the priority which Canada proposes to assign to UNRRA as a purchaser of suitable types of surplus supplies.

I find from informal conversations here that the Canadian arrangements appear to have progressed considerably further than the U.S. or U.K. arrangements for making surpluses available to UNRRA. In fact I understand from the U.K. people that no policy or machinery has yet been proposed, to their knowledge, for making any surpluses in the U.K. available to UNRRA.

There is some discussion in Washington of the British White Paper on surplus property which was issued on July 18th[124] and it may be that the question of UNRRA's relation to the U.K. surplus disposal program will receive some attention shortly. On the U.S. side I gather that there have been some informal discussions and that on one occasion the C.P.R.B. advised the UNRRA supply people that they would be wise to set aside something like $15,000,000 for procurement of surplus merchandise provided it can be purchased at bargain prices.[125] The whole question of U.S. surplus property disposal is in a state of considerable flux and much will depend on the outcome of the present deliberations in the Senate. I might say that in neither of the bills before the Senate is there any specific provision for UNRRA in the priorities arrangements provided. So far as we know the only reference to UNRRA in any of the bills, hearings, reports, or debates, occurs in the Senate Small Business Committee's report on the Senate-initiated bill. In referring to the disposal of surpluses located abroad this report makes the observation that,

"Most of these goods will not become surplus until after the end of the European phase of the war. The surpluses will then include chiefly consumer type goods including vehicles and military equipment. Consumer goods will find a natural market in relief and rehabilitation as administered by the United Nations Relief and [Rehabilitation] Administration. Military equipment will be returned to this country ..."

Yours sincerely,

L. B. PEARSON

1170. DEA/2295-BG-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4132 Ottawa, October 11, 1944

Following for Pearson from Angus.

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[124] Voir Grande-Bretagne, *Government Surplus Stores: Plans for Disposal*. Cmd. 6539, Londres, H. M. Stationery Office, 1944.
See Great Britain, *Government Surplus Stores: Plans for Disposal*. Cmd. 6539, London, H. M. Stationery Office, 1944.

[125] La note suivante était dans l'original:
The following footnote was in the original:
You will have seen references to this recommendation and to other negotiations concerning U.S. "distress" stocks in Chapter II of the UNRRA Director-General's report,[126] particularly in connection with cotton textiles and footwear.

[126] Voir United Nations Relief and Rehabilitation Administration, *Report of the Director General to the Second Session of the Council*. Washington, 1944.
See United Nations Relief and Rehabilitation Administration, *Report of the Director General to the Second Session of the Council*. Washington, 1944.

For your strictly confidential information a discussion took place at yesterday's meeting of the E.T.A.C.,[127] concerning the quantity of wheat which Canada would expect to furnish as part of its contribution to UNRRA. It was emphasized that it would be politically impossible not to furnish a considerable quantity of wheat as part of Canada's contribution to UNRRA itself even though the paying countries would, no doubt, buy wheat as well. Some fear was expressed lest the orders for other commodities which have been accepted or are in prospect and which amount in the aggregate to some 31 million dollars might not reach a point at which it would not be possible for UNRRA to purchase the quantity of wheat that Canadian opinion would consider adequate without employing its free funds. UNRRA's readiness to employ free funds for this purpose might well be limited by the availability of credits in the United States which could be used for the purchase of wheat there. In these circumstances it is probable that in the near future we shall be making a request of UNRRA to agree to take a certain quantity of Canadian wheat as part of our contribution. The quantity mentioned in the discussion was 25 million bushels and if this quantity were supplied at current prices it would come near to exhausting the credit which is being established in UNRRA's favour so that all future purchases by UNRRA would have to be for cash. It might be a preferable course to follow if UNRRA were to commit itself to the purchase of a given quantity of Canadian wheat and if we, relying on this commitment, were to continue to fill other orders against the credit which we have opened. I mention this matter to you at the earliest possible moment in order that we may have the benefit of any comment which you may care to make while the Canadian position is still fluid and before a definite conclusion has been reached.

1171. DEA/2295-BG-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6001 Washington, October 19, 1944

Following for Angus from Pearson, Begins: Your EX-4132, UNRRA purchases of wheat in Canada.

Cairns and Weintraub of UNRRA inform us that they anticipate fairly heavy demands for wheat when UNRRA takes over responsibility for providing foodstuffs to liberated areas. At the moment UNRRA is prevented from estimating its requirements or initiating extensive procurement by the uncertainty as to the date on which UNRRA will take over responsibility from the Military and the related uncertainty as to the quantities of wheat which the Military will transfer to UNRRA on that date. It is not possible to say what

[127] External Trade Advisory Committee.

proportion of this unknown quantity of wheat will be procured in Canada. There are indications, however, that UNRRA may be presenting Canada with requests for some quantities of wheat very shortly. The UNRRA officials recognize that their wheat purchases in Canada may involve the payment to Canada of U.S. dollars or other free exchange as such a large part of Canada's contribution to UNRRA will have been already taken up with the purchase of other commodities. Ends.

1172. DEA/2295-BG-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4287 Ottawa, October 20, 1944

CONFIDENTIAL. Following for Pearson from Angus, Begins: Your WA-6001 of October 19th, wheat for UNRRA. The reply transmitted in your teletype is a very natural one for UNRRA to give and yet I hesitate to accept it as final because of the reactions which it may have here. If UNRRA were to proceed with other orders and exhaust its credit in Canadian dollars then when the time came to procure wheat it might easily be to UNRRA's advantage to use what are substantially blocked United States dollars for this purpose and to procure no substantial proportion of its wheat in Canada. There would be a strong disposition here to protect ourselves against that eventuality by reserving part of our Canadian dollar credit and refusing to honour UNRRA orders for things other than wheat placed against this credit. I should be very reluctant to see such a development taking place unless it had been cleared with UNRRA as an arrangement acceptable to UNRRA. However, it is fully realized that the total amount of wheat sold for relief purposes may be approximately the same whether wheat is taken by the military authorities, by UNRRA or by the paying countries. It is, however, felt that the psychological reaction might be undesirable if no substantial part of the Canadian contribution to UNRRA appeared to take the form of wheat.

I realize the difficulty that Cairns and Weintraub will have in making any firm commitment. Indeed, it may be impossible for them to do so but I think that they, in turn, should be ready to recognize the force of the Canadian argument and to agree to an arrangement by which they will begin payments in free funds for commodities procured in Canada after their procurement against the Canadian dollar credit has reached $42,000,000, leaving $25,000,000 to be expended on wheat at some time or other unless some different arrangement is reached. The effect of this proposal would be to place blocked Canadian dollars available for wheat there on a similar footing to blocked United States dollars so that UNRRA would have no conceivable incentive to purchase wheat in the United States rather than in Canada.

In any case, my hope is that some adequate understanding can be reached that will obviate the dangers of measures which might be misunderstood. Ends.

1173. DEA/2295-BG-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6094 Washington, October 25, 1944

IMMEDIATE. Following for Angus from Pearson, Begins: Canadian wheat supplies for UNRRA. Sorry for delay in replying to your EX-4287 of October 20th, contents of which I discussed with McIvor[128] when he was here last week. Wilson,[129] who was also here, is familiar with McIvor's views. As you recognize, it is the Combined Food Board, thought its Cereals Committee, and not UNRRA, which decides where UNRRA's wheat supplies shall come from within the limits, of course, of the contributions available from the various member Governments and influenced also no doubt by price considerations. I have spoken again to the UNRRA people about the difficulties that would be caused if no UNRRA wheat were purchased in Canada, and am having a further talk with them about it this afternoon. This informal view is that we need have little worry on this score, as a substantial amount of UNRRA wheat and flour will be required from Canada in any event. McIvor also does not seem to be very worried about this possible danger and gave me the impression when in Washington that we need not push for UNRRA wheat allocations at the moment because we already have our hands full supplying the existing demands. You may wish to talk to Wilson on this point, as he attended the discussions of the Cereals Committee in Washington last week. With a Canadian Chairman on that Committee, we ought to be able to ensure that an appropriate amount of UNRRA wheat comes from Canada. Meanwhile, I will emphasize to UNRRA the force of your argument made in paragraph 2 of your teletype. Ends.

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[128] Commissaire en chef, la Commission canadienne du blé.
Chief Commissioner, Canadian Wheat Board.

[129] Directeur, la direction du blé et du grain, ministère du Commerce.
Director, Wheat and Grain Division, Department of Trade and Commerce.

1174. DEA/2295-BG-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6097 Washington, October 25, 1944

Following for H. F. Angus from L. B. Pearson, Begins: I am sending you by immediately following teletype a copy of a message from the British Food Mission to the Ministry of Food which Paterson has secured confidentially concerning UNRRA purchasing arrangements.

I do not think you need do anything at the moment about the difficulty referred to therein, apart from sending me your views because I am seeing the UNRRA people this afternoon and may have something further to report. There have been some suggestions that this matter might be referred to the Committee on Supplies but I hope that you will agree that if it can be cleared up by informal discussions that would be preferable. Ends.

1175. DEA/2295-BG-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6098 Washington, October 25, 1944

Following for H. F. Angus from L. B. Pearson, Begins: UNRRA food purchases.

Message referred to in my immediately preceding teletype begins:

1. Important question has arisen concerning relationship of UNRRA's procurement activities to established purchasing arrangements of C.F.B. countries particularly where preclusive purchasing agreement is in force as result C.F.B. recommendation. At Fats Committee last week it was reported that UNRRA had received offer of 5,000 tons Brazilian cotton seed oil and that price quoted by Brazilian Government was over two cents higher than current buying price of F.E.A. Although UNRRA had not accepted offer American spokesman alleged that in ensuing weeks no oil had been obtainable at current prices which were maxima and that Canada for which F.E.A. was then attempting to buy had accordingly gone short. Both Americans and Canadians protested to UNRRA in strongest terms and Committee drew executive officers attention to potentially dangerous situation.

2. Executive officers decided discuss with UNRRA whole range of their procurement activities in third countries and saw Hendrickson this week. They explained C.F.B. interests in these activities were threefold.

(a) Avoidance of interference with any production plans, e.g., Brazilian rice;
(b) Maintenance of control over allocations.
(c) Price policy.

They hoped that before UNRRA missions went out there would be fullest exchange of views to cover these interests and that where preclusive buying arrangements were in force UNRRA, which had community of interest as consumer, would buy through U.S.A. or U.K. agency concerned.

3. UNRRA believed that over (a) and (b) there should be no difficulty. They would maintain constant contact with Board at official level and before concluding any purchase would seek formal allocation in considering which Board could take into account any point arising under (a). We agreed that subject to any points arising under (c) this was all we could ask for so far as countries not members of Board were concerned. We requested, however, that in case of prospective purchases in U.S.A., Canada or U.K. including Colonies, UNRRA should strictly observe practice of obtaining allocations first and proceeding to negotiations with national agencies later. This was directed largely against recent UNRRA activities in Canada and attitude had fullest support of Canadian executive officer. UNRRA agreed to follow this procedure. Please confirm it is acceptable to you in case of commodities on C.F.B. reserved list in which case you may wish consider obtaining adherence of other L.F.C.[130] countries.

4. On 2 (c), UNRRA stated emphatically that they could not, repeat not, contemplate use of U.S.A. or U.K. procurement agencies in third countries. Whether this negative applied to purchases in Canada or L.F.C. countries was not clear but UNRRA informed us certain of their members had raised the point with them explicitly and insisted that their contributions should be made to UNRRA direct. We believe member countries concerned included Brazil. In UNRRA's view it was inevitable that they send missions to all potential contributors to discuss nature of their contributions and that these missions would receive offers accompanied by price quotations. At this point, they would if at all interested in offers received, refer to Boards for allocations as in paragraph 3 above.

5. We pointed out that in some cases it might be inevitable to use purchasing agents of the U.S.A. or U.K. For instance it might be impossible otherwise to organize commercial operations pertaining to export and we cited Iraqi barley. In other cases U.K. or U.S.A. might have surpluses available for UNRRA arising from past purchases and we could not believe that either UNRRA or Government of country of origin would desire cost of such supplies in all cases to be charged against U.K. or U.S.A. contributions. Moreover, where U.K. or U.S.A. had already bought whole exportable surpluses of some commodity UNRRA were unnecessarily restricting flexibility of their financial arrangements if they did not admit possibility of some part of these exports being made to UNRRA's account against contribution of producing country. UNRRA admitted possibility of latitude in all these cases but we were unable shake

[130]London Food Council.

them on question of principle. Bearing in mind attitude of Latin Americans at Atlantic City and Montreal, we cannot but admit UNRRA's political objections have some force. Please therefore consider whether point should be pressed further in which case high level approach will be necessary. If you do decide to press it you will no doubt enlist support of Dominions and consult with those present at Atlantic City as to spirit of arrangements there agreed. We were under impression Resolution 17 A III 1[131] gave us all we need but UNRRA take "national agencies" to mean agencies of contributing country. From remainder of paragraph their interpretation certainly derives plausibility and you may be able ascertain how wording got changed from that contained in A III 3 of report of Committee II' which was clearly designed to meet our point. Chilvers'[132] recollection is that Australian delegation played prominent part at this stage.

6. Accepting for present that they would be adamant about co-ordinated buying we proceeded request UNRRA for assurance that they would, where appropriate, consult with our national agencies regarding prices. After lengthy argument they agreed but stipulated there should be no formal record that such consultation was taking place in any instance since otherwise greatest dissatisfaction would be caused to their contributing members. They admitted that in fact they had strong interest in keeping prices down and believed rather ingenuously that by encouraging in their contributors spirit of direct contributions to relief rather than commercial bargaining they would in fact acquire commodities at prices below existing world levels. We shall of course have formal record of meeting which will include agreement in principle to consult in cases where Board may ask for such consultation and we consider this is substantial point gained.

7. We cannot conceal, however, continued apprehensions of upset to arrangements carefully constructed over last two years especially if we remember that UNRRA officials both at Headquarters and in field of operation though well meaning tend to add impetuosity to their inexperience. Moreover we are nervous lest appearance of UNRRA as an independent buyer will prove powerful nail in coffin of co-ordinated buying arrangements which as you know important interests in U.S.G. including State Department would not be sorry to bury. UNRRA of course represent that in reality they are not buyers at all but in fact their acceptance and rejection of offers could not be undertaken except on some kind of commercial basis. Finally we doubt whether in case of commodities, e.g., fats bought on day-to-day allocation system can be effectively worked and policed except through machinery of preclusive buying.

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[131] Voir George Woodbridge et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration* volume III, New York, Columbia University Press, 1960, p. 63.
See George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration* Volume III, New York, Columbia University Press, 1950, p. 63.

[132] Membre de la Mission britannique de l'alimentation, Washington; président, le Comité du café, du cacao et des épices, la Commission composée de l'alimentation.
Member, British Food Mission, Washington; Chairman, Coffee, Cocoa and Spices Committee, Combined Food Board.

8. You should note that opposition to co-ordinated buying does not, repeat not, extend to operations in neutral countries including Argentina while such countries remain outside UNRRA. No UNRRA missions to these countries are presently contemplated and UNRRA indicate that they would in appropriate cases e.g., Argentine meat, be glad of our assistance. Similarly we imagine U.S.A. and U.K. could make their own terms in case of third country commodities charged against their own free exchange contributions, so that present issue is confined to commodities directly borne on a third country's own contribution and is we suppose of trivial scope except in case of Brazil.

9. We have advised Embassy, Treasury delegation, and B.R.M.M.[133] of these discussions. You may wish to see that reply reaches us in interdepartmental series. Ends.

1176. DEA/2295-BG-40

Le ministre, l'ambassade aux États-Unis, à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Special Wartime Assistant to Under-Secretary of State for External Affairs

Washington, October 26, 1944

Dear Mr. Angus,

I had a very interesting discussion last evening with Mr. Weintraub (acting head of the UNRRA Bureau of Supplies in the absence of Mr. Hendrickson) and Mr. Cairns, mainly on two questions: (1) UNRRA's current difficulties with the Combined Food Board on their procurement activities in third countries; and (2) our desire to secure from UNRRA assurances that requests for wheat and flour will soon be made to Canada.

As to (1), I mentioned that there had been some suggestion that the difficulties in question might be brought to the attention of the Committee on Supplies and that a decision on the principles involved should be sought. I stated my view that this would be unwise and unnecessary; that it should be possible to work out this problem without reference to the Supplies Committee and that the Committee should be only a court of last resort.

I outlined the difficulty as I had had it described to me by Mr. Paterson and as stated in teletyped WA-6098 of October 25th. I found that the UNRRA people appreciated that it would be most undesirable if UNRRA and U.K.-U.S. procurement agencies competed in third countries for available supplies, the only result of which would be to force up the price unnecessarily. Both Mr. Weintraub and Mr. Cairns and I felt that such competition could be avoided by consultation between UNRRA and the particular agencies concerned before UNRRA entered into any negotiations with third countries for purchases or before supply missions were sent to them. They seem to think that arrangements could be worked out to this end. I emphasized that such consultation

[133] British Raw Materials Mission.

must be very close, continuous and confidential and that it was up to the people concerned to see that this was brought about. Otherwise there would be nothing but trouble.

I was told that UNRRA, however, could not accept the view which was being proposed by the British and by the U.S. (FEA) that they should use U.K.-U.S. agencies in third countries as the machinery for procurement of UNRRA supplies from those countries. The resolutions of the UNRRA Council were quite specific in this regard and the interpretation (I agree with them in this) being given to the resolutions by the U.S. and U.K. is a forced and unfair one. There is no question that when paragraph 3, Section 3, of Resolution I refers to "established national agencies, concerned with the procurement, handling, storage and transport of supplies" what is meant, in the case, for instance, of Brazil, would be a Brazilian agency and not a U.S. or U.K. agency operating in Brazil.

UNRRA states that the third countries concerned would be the first to object to the use of such outside agencies in their procurement relationships with UNRRA. They would object on grounds of national prestige and also because they may feel they have a better chance of getting a reasonable price for the supplies in question if they dealt directly with UNRRA. This latter point is an important one. There is no doubt that if great care is not exercised, the valuation by certain member Governments of their relief supplies will be higher than is justifiable. For that purpose, consultation with the U.K. or U.S. agencies referred to above is essential. At the same time, as the UNRRA people point out, there may be occasions when a country such as Brazil would be entitled to place a somewhat higher valuation on supplies to UNRRA in the future than has been imposed by the U.K. and U.S. on similar supplies for war purposes. I pointed out that if UNRRA felt that valuations were unfairly high, the matter could be taken up with the Committee on Supplies. Also any member Government could take similar action if it felt that other member Governments were under-valuating supplies in order to force supplies on UNRRA.

I think that my talk with the UNRRA people served the useful purpose of underlining the necessity for the most complete consultation with the U.K. and U.S. agencies concerned, *prior to* any UNRRA approach to member Governments on procurement questions.

The second question is of more immediate interest to us—UNRRA procurement policies in Canada. I mentioned again that we were concerned with the fact that UNRRA had already placed orders in Canada amounting to almost 31 million dollars (Cairns interposed to say that this might reach 40 million dollars if other proposals under consideration were accepted) and that no wheat or flour was included in this amount. This obviously was an unsatisfactory position for Canada and I said that I would like to get some kind of assurance that wheat and flour will be included in Canada's UNRRA supplies. This could be done by using free exchange to purchase additional non-wheat supplies in Canada for UNRRA and reserving now an amount for wheat and flour. It could also be done by Canada refusing to accept further orders

unless they include wheat and flour. Cairns intervened here to express the strong hope that we would not take this latter stand. He said that they had been very greatly helped recently by getting from Canada certain goods in short supply and if they could not have continued access to Canada for such goods because of the necessity of ordering some wheat first, it would injure them very seriously. I appreciated the importance of this but told them that we should not be penalized by our understanding and co-operative attitude in this matter, by finding out later that surplus goods such as wheat would be supplied by other countries.

I think that our preoccupations in this matter are now thoroughly understood. In addition to the use of free exchange for purchasing further relief supplies in Canada, Cairns pointed out that there was another possibility which would help us, namely the sale to paying countries of a part of the supplies which had already been procured, the amount of which sale would be credited to us, thereby reducing the value of UNRRA procurements. I took this point up quickly and said that it would be an admirable thing to do and that it would help us greatly. This, as a matter of fact, was the first time I had known that any of the 31 million dollars worth of orders already placed could be used in this way. I thought they were all for UNRRA non-paying members.

Weintraub also suggested that we might begin negotiations now with UNRRA for wheat and flour supplies. We could for instance supply them with information as to how much we would like to include in our contribution and other details including the important one of price. In this connection, I understand there have already been some discussions with UNRRA on the price of relief wheat from Canada. If I am to help you in this matter, I should have full information concerning such price discussions.

Negotiations now with UNRRA would at least have the result of starting the ball rolling and would put our wheat and flour position directly to UNRRA and through them to the Combined Board. For this reason, I think it would be useful if we could take this question up with UNRRA at once and I would be glad to have your views on the matter and any necessary instructions.

One or two other points arose in our discussion which I might just mention. The UNRRA representatives accepted without reservation the position that, in respect of commodities under allocation, the Combined Boards are the allocating agencies and that UNRRA itself could not procure any such supplies except after an allocation made for that purpose by the appropriate board.

I also asked whether there had been any suggestion by any UNRRA member that its 10 percent of free exchange should have any strings attached to its use. I was thinking particularly of the U.S. I was assured that the position in this matter was as stated previously and I was told that a free exchange contribution was exactly what its name implied and could be spent by UNRRA anywhere.

Finally I enquired whether there had been difficulties with FEA over the stand taken by that agency that once an allocation had been made to the U.S.

the latter, presumably FEA, would decide when and where the supplies should be sent for distribution by UNRRA. I told the UNRRA people that this was an indefensible position and that, if the U.S. maintained it, the matter would have to come before the Committee on Supplies. It appears that there is a dispute in FEA over this matter. Emerson, of the Liberated Areas Committtee and the U.S. representative on the Committee on Supplies, takes the sensible view that UNRRA is alone responsible for the time and place of distribution of the supplies which it has received. Parisius of the Food Division of FEA, feels that the U.S. authorities must retain control of their own contributions to UNRRA. UNRRA itself has no intention of yielding on this very important point but feel that there is a good chance of the Parisius position being abandoned and that they may not have to bring the matter to the attention of the Committee on Supplies at all. I hope so, because that Committee could come to only one decision, namely, that the U.S. must withdraw from this position or every other country must have the same privilege. This, as UNRRA pointed out to me, would make the administration of relief by them impossible.

Yours sincerely,

L. B. PEARSON

1177. DEA/2295-BG-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4390 Ottawa, October 28, 1944

Following for Pearson from Angus, Begins: Your WA-6097 of October 25th, UNRRA food purchases. The text of the message contained in WA-6098 has been referred to the interested Departments because the question of prices for supplies furnished to UNRRA is one which is occasioning some difficulty here. The following comments are made before receiving the replies of the Departments and, therefore, may be modified later:

It is obviously very difficult to suggest that UNRRA should not deal with member countries direct in making its purchases, although it might be possible to ask UNRRA not to offer prices or accept goods at prices which disrupt efficient procurement arrangements, for example, by leading to hoarding. This seems to be the view which UNRRA has taken as set out in paragraph 4 of the teletype.

The reference in paragraph 3 to UNRRA activities in Canada appears to be concerned with enquiries made from UNRRA by the Mutual Aid Board, that is by Mr. Wasson. There may be no great harm in this as long as the enquiries are merely enquiries and as long as it is clearly understood that any tentative arrangements are subject to clearances as regards supplies by the appropriate Committee here and as regards priorities with the Combined Boards.

We can see no objection to UNRRA using other purchasing agencies as a matter of convenience to UNRRA and to the supplying country concerned. If, however, the supplies have already been bought by, for example, the United Kingdom or the United States, it seems rather doubtful whether UNRRA should be in a position to object to that country passing on these supplies as part of its own contribution to UNRRA without first obtaining the sanction of the supplying country which had parted with the supplies by an out-and-out sale.

These comments are of the most tentative character but it may be useful for you to have them at the present stage, since you suggest that the question may be cleared up by informal discussions. Ends.

1178. DEA/2295-BG-40

L'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au ministre, l'ambassade aux États-Unis

Special Wartime Assistant to Under-Secretary of State for External Affairs to Minister, Embassy in United States

CONFIDENTIAL Ottawa, October 31, 1944

Dear Mr. Pearson,

I was greatly interested in your letter of October 26th dealing with (1) UNRRA's procurement in third countries and (2) our desire that UNRRA should take a substantial part of the Canadian contribution in the form of wheat.

I quite agree with you about (1) as you will see from my teletype which crossed with your letter. In the teletype, however, I did not specifically say that I agreed, as I do, that the United States and United Kingdom are giving a wrong interpretation to "established national agencies concerned with the procurement, handling, storage and transport of supplies," if they mean that the agencies established by their Governments are to be the means of procurement in third countries with national agencies of their own. Even in other countries, it seems to me the United States and United Kingdom procurement machinery should only be used if the third countries are agreeable to this course. As you point out, the question of price is important. It would be most inequitable for the United States and Canada to insist on imposing their own prices on the goods which they supply while expecting other countries to submit to the controls incidental to monopoly buying.

In the matter of price, the most difficult question seems to me to be one which has not yet arisen, namely: Can UNRRA reasonably offer a high price in order to make use of a currency which it could not otherwise employ?

I am not at all happy about the second question and I am afraid that the Canadian position is not entirely clear as yet. At the risk of some repetition, I am, therefore, going to state it again.

(a) Canada is desirous that a substantial proportion of the Canadian contribution to UNRRA should be made in the form of wheat. This proportion has been fixed at $25,000,000, which sum is to include freight charges. The quantity of wheat will, therefore, depend on the amount of these charges and on the price of the wheat.

(b) Owing to transportation difficulties and other demands, Canada will probably not be in a position to supply any considerable portion of this wheat during the winter months. It follows that some sort of reservation is necessary in order to avoid the exhaustion of our funds by other requests.

(c) Technically, the position is that the Mutual Aid Board has relatively small free funds at its disposal—perhaps $2,300,000 remain over from the original vote of $10,000,000. As regards the bulk of the Canadian contribution, the duty of the Mutual Aid Board is, by law, to supply such goods and services as it approves. This leaves it legally free to impose a veto of a sort on arrangements made between UNRRA and even the Combined Boards, with Canadian approval.

(d) It appears probable from what you say in your letter that the Canadian contribution administered by the Mutual Aid Board will shortly be exhausted since $40,000,000 worth of orders are given or in prospect and since it is expected that $25,000,000 should take the form of wheat. The problem before us is: What should happen when the remaining portion of the contribution disappears? Presumably, it consist of the $2,300,000 already mentioned and of the balance of $67,000,000 in the hands of the Mutual Aid Board.

(e) I gather that these sources may be augmented by certain sums which may be transmitted by UNRRA to the Mutual Aid Board as the proceeds of the resale of supplies obtained in Canada which has been passed on to paying countries. I am enquiring how the Board would treat these sums for the purpose of its accounting.

(f) Turning to the problem of reservation, two courses are possible. The first is that we should set aside $25,000,000 to be used later for wheat and that when other funds are exhausted we should ask UNRRA to pay for its supplies in free funds as it orders them. From what you say in your letter, I am inclined to think that this is going to be the only practicable course.

(g) The alternative which I have suggested was that UNRRA should undertake to purchase ultimately wheat to the value of $25,000,000 Canadian, and should proceed in the meantime to place orders with the Mutual Aid Board for which payment from free funds would not be required. This alternative seems to be impossible because UNRRA is not in a position to say where that wheat will be obtained as this is a question which will be decided for it by the Combined Boards.

(h) There remains, it is true, the vague possibility of persuading our agencies to accept an expression of general expectation to purchase wheat in Canada made by Weintraub and Cairns. This might give rise to the most serious misunderstanding, particularly as, in the future, purchases of wheat might be made by the paying countries and by military relief rather than by UNRRA

itself. If this possibility is important, it might be possible to ask our agencies to consider withdrawing altogether from their request that funds should be reserved for the purchase of wheat.

(i) I agree with you that the question of price is extremely important. However, it is a very difficult one on which to obtain a clear statement. Roughly the position is that the quantity of wheat actually owned by the Canadian Government is not very great. It is being used for Mutual Aid supply and other Government purposes. When it is exhausted the Government will be selling as a trustee for the farmers and will be under a duty to obtain for them the best price it can. The tendency is to quote an artificial price based on the price of wheat in Chicago. I suppose it is always open to UNRRA to buy at this price but I do not know whether any progress has been made with negotiations directed to obtaining a lower price for UNRRA. I shall, however, make what enquiries I can in order to send you further information on this point. I do not know whether a similar difficulty with respect to price is going to confront us in the case of military relief both as regards wheat and as regards other commodities. As you know, Canadian exporters are not limited by the Canadian price ceiling. It may be possible for you to see how this matter is going to be treated by the United States and the United Kingdom in respect of supplies which they furnish.

Yours sincerely,

H. F. ANGUS

1179. DEA/2295-BG-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH 1610 Ottawa, November 10, 1944

Sir,

I have the honour to inform you that consideration has been given to the way in which Canada should discharge the obligation to supply wheat for relief purposes which arises under paragraph 2 of Article 6 of the Wheat Agreement.[134] After making allowance for the wheat donated to Greece, which counts as a Canadian contribution under the Wheat Agreement, there remains a residual commitment of 10,000,000 bushels. The International Wheat Council has designated UNRRA as the distributing agency for wheat to be made available for relief under the Wheat Agreement. It is, therefore, necessary for the discharge of Canada's obligation that UNRRA should take 10,000,000 bushels of wheat from Canada.

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[134] Voir Canada, *Recueil des traités*, 1942, N° 11.
See Canada, *Treaty Series*, 1942, No. 11.

2. It is not entirely clear that we should fulfil our obligations if the wheat in question were to be sold to UNRRA and payment received out of the funds at UNRRA's disposal for expenditure outside the countries which contributed them. It is, therefore, essential that part of the Canadian commodity contribution should take the form of wheat.

3. It has, therefore, been decided to advise the Mutual Aid Board that in making supplies available for UNRRA by means of the Mutual Aid vote provision should be made for setting aside $16,000,000 to cover the cost of supplying 10,000,000 bushels of wheat at the Canadian Wheat Board's Class II price and for financing the transportation of this wheat to the seaboard.

4. I should appreciate it if you will inform UNRRA of the action which has been taken and of the reason why it has been taken, and if you will point out that the effect of setting aside these funds will be that UNRRA will reach somewhat earlier than would otherwise have been the case a point at which additional procurement in Canada will have to be financed out of the funds at UNRRA's disposal which can be spent outside the country which contributes them.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1180. DEA/2295-BG-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6721 Washington, November 30, 1944

Following for Angus from Pearson, Begins: Your teletype EX-4752 of November 29th.† There is only one question that might make a meeting of the Supplies Committee desirable between now and the end of December; namely, the question raised in your communication to UNRRA regarding the setting aside of ten million bushels of wheat for them. This has disturbed them very much, and I will be getting a letter today or tomorrow expressing that disturbance. They feel that an important question of principle is involved, namely, whether any member of UNRRA can specifically earmark its contribution in this way. They are afraid that if this practice were followed by every state, especially South American ones, they would be in difficulties. They appreciate our special difficulty in regard to our Wheat Council Relief obligations, but this, they think, is a difficulty which should be worked out between us and the Council. I hope, myself, that this question will not be submitted to the Committee on Supplies and that, after we receive the

UNRRA reply, we will be able to settle the problem between the Administration and ourselves. If this can be done, then I do not think the Committee on Supplies need meet until January. Ends.

1181. DEA/2295-BG-40

Le directeur général par intérim, UNRRA, au ministre, l'ambassade aux États-Unis

Acting Director General, UNRRA, to Minister, Embassy in United States

Washington, December 1, 1944

Dear Mr. Pearson,

Thank you for your letter of 16th November† advising us that your Government has decided to set aside $16 million of its contribution to UNRRA to cover the cost of supplying and transporting to the seaboard the 10 million bushels of wheat yet to be delivered by Canada against its commitment under paragraph 2 of Article VI (Relief Pool) of the International Wheat Agreement.

While fully recognizing the circumstances which led your Government to this decision, we would like to place on record the importance we attach, as a matter of principle, to the Administration's retaining its freedom of action to negotiate with contributing member governments concerning both the type and value of their contributions in kind.

I am certain your Government will recognize the force of a precedent which would permit a contributing member to decide unilaterally the form in which contributions in kind will be made to UNRRA. If other members had followed that practice, it might have proved impossible to procure in Canada many of the items that Canada is now supplying and if the decision of your Government is permitted to stand as a precedent to be followed by others it will certainly prove very difficult to procure in Canada with free exchange commodities which might most economically be procured there.

As in the case of all other food, feed, and soap commodities under allocation, we expect to place our orders for wheat in the supplying countries recommended by the Combined Food Board in consultation with UNRRA under the agreed procedure set forth in Document CFB(44) 129,† a copy of which I enclose for your information. You will note that paragraph 13 of that document provides that "... the CFB will, on the basis of advice from UNRRA, recommend allocations from each source of supply which will ensure, to the extent possible, the fulfillment of that country's mutually agreed total contribution to UNRRA."

In view of the above I should deeply appreciate it if your Government would reconsider its decision and reopen the discussion, informally begun some time ago, concerning the quantity of wheat to be supplied by Canada as part of its contribution to UNRRA. Should your Government consider it advisable, UNRRA would welcome a discussion of the problems involved with the

representatives on the Combined Food Board and the International Wheat Council of the several member governments concerned.

Yours sincerely,
ROY F. HENDRICKSON

1182. DEA/2295-BG-40

L'adjoint spécial en temps de guerre au sous-secrétaire d'État aux Affaires extérieures au ministre, l'ambassade aux États-Unis

Special Wartime Assistant to Under-Secretary of State for External Affairs to Minister, Embassy in United States

Ottawa, December 7, 1944

Dear Mr. Pearson,

I am referring to your despatch No. 2729 of December 5th† transmitting a copy of a letter from you to Mr. Hendrickson, dated November 16th,† and a copy of Mr. Hendrickson's reply dated December 1st. Both letters refer to the way in which Canada should discharge her obligation to supply wheat for relief purposes under paragraph 2 of Article 6 of the International Wheat Agreement.

The Canadian authorities will not wish to deal with this question in such a way as to create a precedent which may be embarrassing for UNRRA and it would be in order for you to reopen the discussions concerning the quantity of wheat to be supplied by Canada as part of its contribution to UNRRA in order to see if the objects of the Canadian Government can be effected in such a way as will not embarrass UNRRA.

The first of these objects is to discharge Canada's obligation under Article 6 of the International Wheat Agreement without having to increase the total Canadian contribution to UNRRA beyond the sum of $77,000,000 which corresponds to 1% of the Canadian national income. Our understanding is that the Wheat Council has decided that delivery of wheat to UNRRA will constitute a discharge of Canada's obligation under the International Wheat Agreement. It is not clear that sale to UNRRA or sale for military relief purposes would constitute such a discharge. In the circumstances it appears to us quite reasonable to ask UNRRA to accept the Canadian contributions in such a way as to avoid increasing the total Canadian commitment. It is not considered that allocation by the Combined Food Board should interfere with this object as there would seem to be no reason why the Combined Food Board itself should not take into account the position of Canada under the Wheat Agreement.

I do not consider that Canada's action constitutes "a precedent which would permit a contributing member to decide unilaterally the form in which contributions in kind will be made to UNRRA." The Canadian action is related to a specific obligation in connection with relief—an obligation which has already been somewhat reduced by Canada's gift of wheat to Greece. It is

very far from amounting to an assertion of a right to decide capriciously what commodities Canada will supply in discharge of her obligation to UNRRA. Indeed to leave the decision to UNRRA might very well have the effect of forcing Canada to make a subscription of $77,000,000 to UNRRA and of an additional $16,000,000 to cover the cost of the wheat which Canada must provide under the Wheat Agreement. Indeed, mere delay on UNRRA's part might have this effect even if UNRRA were ultimately to purchase wheat from Canada.

The second Canadian objective is that a substantial part of Canada's contribution to UNRRA in commodities as distinct from any sales which may be made to UNRRA against UNRRA's free funds should be in the form of wheat. Serious misunderstandings might arise with Canadian agricultural interests if this were not the case even though substantial quantities of wheat might be supplied for related purposes either to paying countries or on account of military relief. It appears to the Canadian authorities that UNRRA's interest in this matter is, from the standpoint of good public relations, identical with that of the Canadian authorities and that it would be very regrettable if the procedures of the Combined Food Board were to result in defeating this aim.

As has been explained earlier in this correspondence, Canada is not in a position to supply large quantities of wheat during the winter because of transportation difficulties. It occurs to me that it might meet all the needs of the case if UNRRA were to obtain permission from the Combined Food Board to place an order for wheat in Canada for delivery in the spring. The effect of this order would be to set aside funds on the books of the Mutual Aid Board to cover the cost of the wheat and in this way would protect Canada against the danger of her contribution being exhausted by orders of other types of supply in Canada so that the wheat would have to be paid for out of free funds.

I should appreciate it if, with these facts and suggestions before you, you will let me have your opinion as to the best course of action to pursue. In the meantime I am circulating your correspondence with Mr. Hendrickson and a copy of this letter to the interested Departments here. I shall await your reply before replying formally to Mr. Hendrickson and by that time I hope to have the comments of the interested Departments as well.

Yours sincerely,

H. F. ANGUS

1183. DEA/2295-BG-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au sous-ministre par intérim du Commerce[135]

Memorandum from Under-Secretary of State for External Affairs to Acting Deputy Minister of Trade and Commerce[135]

Ottawa, December 27, 1944

I am referring to despatch No. 2729 of December 5th from the Canadian Embassy in Washington,† enclosing copies of a letter from Mr. Pearson to Mr. Hendrickson of November 16th† and Mr. Hendrickson's reply, dated December 1st. I am also referring to Mr. Angus' letter to Mr. Pearson, dated December 7th. This correspondence, which concerned the stipulation that part of Canada's contribution to UNRRA should take the form of wheat, was forwarded to you on December 7th.

No further communication has been received from Washington but when Mr. Cairns was in Ottawa on behalf of UNRRA he discussed the question informally with Mr. Angus of this Department. Mr. Cairns pointed out that it was very embarrassing to UNRRA if supplying countries specified the commodities on which their contributions were to be spent and the prices which were to be paid for these commodities. He suggested that the Canadian request constituted an awkward precedent in this respect.

Mr. Angus replied that this request was limited to the discharge of a well known obligation which Canada had undertaken and that the price was not an arbitrary one fixed specially for UNRRA.

Mr. Cairns then suggested that arrangements could be made for complying in some other way with the obligations of the Wheat Agreement. Mr. Angus pointed out that even if these were done it would not affect the Canadian wish that a substantial part of Canada's contribution to UNRRA should take the form of wheat and that it had been explained that it was politically desirable and even in the interests of UNRRA that part of the Canadian contribution, as distinct from the free funds, should take the form of wheat. He added that had a request been made in this form it would have constituted a much more embarrassing precedent for UNRRA than the request based on the Wheat Agreement and might well have been larger in amount.

This is how the matter stands at present. There does, however, appear to be a strong case for withdrawing the request which Canada has made to UNRRA. It seems more than ever evident that the big purchases of wheat will be made for military relief or for use by the paying countries and that it is not clear that UNRRA will require as much wheat as has been pledged by the various countries under the Wheat Agreement. Nor is it clear that it would be of advantage to Canada if UNRRA were obligated to buy wheat from all the countries committed under the Wheat Agreement.

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[135] Un mémorandum semblable fut envoyé au sous-ministre de l'Agriculture.
A similar memorandum was sent to the Deputy Minister of Agriculture.

I should, therefore, appreciate it if you will let me have the views of your Department as to Canada's withdrawing any stipulation or request that part of the Canadian contribution to UNRRA should take the form of wheat.

If the request is withdrawn, it would remain to decide what should be done concerning Canada's obligations under the Wheat Agreement. Two courses of action appear to be possible and I should be glad to have your views as to their respective merits.

The first course would be to apply to the Wheat Council for permission to count against Canada's obligations under the Agreement (a) the gift of wheat to India of 100,000 tons [136] and (b) the wheat sent by way of Mutual Aid to French North Africa, amounting to 125,000 tons.[137] This would substantially reduce the amount of wheat for which arrangements would have to be made.

The second course would be to ask the Wheat Council to release the member countries from their commitments or, at any rate, to release those member countries which are contributing one per cent of their national income to UNRRA.

There is, of course, a third possibility. Canada might be very virtuous and point out that the Canadian contribution under the Wheat Agreement would virtually be made in addition to Canada's contribution to UNRRA. It might be suggested that the other countries should follow this course and if they supply wheat to UNRRA that they should donate it in addition to the one per cent of their national incomes which they, like Canada, are supplying.

N. A. ROBERTSON

1184. DEA/2295-BG-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-657 Ottawa, February 21, 1945

I am referring to your despatch No. 2729 of December 5th† concerning the stipulation that part of Canada's contribution to UNRRA should take the form of wheat and the subsequent correspondence on the same subject.

As the matter stands at present $16,000,000 is reserved on the books of the Mutual Aid Board to finance such orders for wheat as UNRRA may place. Of this sum $902,324 have already been spent and $1,600,000 are earmarked for freight, handling and possibly bagging charges.

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[136] Voir le volume 9, documents 919 à 929.
See Volume 9, Documents 919 to 929.

[137] Voir le procès-verbal du 12 octobre 1944 dans les dossiers de la Commission d'aide mutuelle, volume 46.
See minutes of October 12, 1944, in Mutual Aid Board Records, Volume 46.

The suggestion that we should withdraw the earmarking was submitted to the departments most concerned. The Department of Agriculture took the view that in view of the supplies of wheat going forward for liberated areas by way of military relief, the earmarking might be withdrawn. The Department of Trade and Commerce took the view that the earmarking should be retained because an uncommitted balance of nearly $15,000,000 remained and because new requisitions for other commodities had tapered off.

The statement of the Mutual Aid Board dated February 19th† shows, however, that the unallocated balance available for further purchases has now fallen just below $3,000,000 and it, therefore, becomes a matter of some urgency that a decision should be reached with regard to the earmarking of the $16,000,000.

Before taking the matter up again with the Departments in Ottawa I should appreciate hearing from you how the question of reservation stands with UNRRA and what the expectations are as to the orders for relief purposes for Canadian wheat now that difficulties of finance may preclude the supplying to military relief of as much wheat as had been expected.[138] Ends.

1185. DEA/2295-BG-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 570 Ottawa, March 5, 1945

Sir,

I have the honour to refer to your teletype EX-657 of February 21st concerning the stipulation that part of Canada's contribution to UNRRA should take the form of wheat.

2. With my despatch no. 2729 of December 5th† I transmitted copies of an exchange of correspondence with Mr. Hendrickson of UNRRA on this subject. Since that time there have been certain developments on which I should report, although I regret that it is still not possible for UNRRA to accept formally the proposal that a certain specified part of Canada's contribution shall take the form of wheat.

3. On February 3rd Mr. Ritchie of this Embassy wrote to Mr. Angus† in reply to an enquiry and sent copies† of UNRRA's interpretation of the provision in the U.S. Appropriations legislation which might seem to provide a precedent for the action which we were proposing to UNRRA. UNRRA's interpretation of the U.S. legislation maintains that nothing in the U.S. legislation or in the Congressional discussion of that legislation imposes on UNRRA an obligation to accept definite quantities of any commodities as part

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[138] Voir la pièce jointe, document 1087.
See enclosure, Document 1087.

of the U.S. contribution. The legislation gave a preference to stockpiled domestic wool or cotton up to a certain limit but did not require that UNRRA accept any specific quantities or values of cotton or wool from the U.S.

4. More recently we have been informed by the Supply officials in UNRRA that an arrangement has been worked out with the Canadian Mutual Aid Board whereby UNRRA has filed a bulk "request to supply" for $5,000,000 worth of Canadian wheat on which UNRRA will draw as actual requirements become known. It is our understanding that this arrangement does not make it mandatory for UNRRA to buy the full $5,000,000 worth of wheat in Canada except insofar as Canada may be indicated as a source for actual requirements. Neither does this arrangement mean that UNRRA will buy Canadian wheat only up to $5,000,000. The figure was a rough estimate of probable requirements to be satisfied from Canadian sources over the next few months. We are informed that UNRRA's purpose in getting the lump sum of $5,000,000 set aside at least temporarily for Canadian wheat purchases was merely to avoid the necessity of putting in to the Mutual Aid Board separate "requests to supply" for each lot actually required. It would appear to us that a good part of (and probably more than) these $5,000,000 will be absorbed if present plans are carried out and UNRRA takes over responsibility for Canadian wheat on hand in Greece at April 1st, or arriving in Greece on or after April 1st.

5. We have drawn UNRRA's attention to the existence of certain commitments on our part under the International Wheat Council and have enquired as to the likelihood of these commitments being discharged through the provision of supplies to UNRRA. We have spoken again today with the UNRRA official concerned and he has promised to let us have very shortly a statement of UNRRA's intentions with respect to the outstanding commitments for relief purposes under Article 6 of the International Wheat Agreement. When this statement[139] is received we shall forward it immediately in order that you might instruct us, in the light of this statement, as to the appropriate action to be taken through the Wheat Council, Combined Food Board and in our negotiations with UNRRA.

There are two points in your message on which I should like to comment.

(a) In Paragraph 3, the view was expressed that "the earmarking should be retained...because new requisitions for other commodities had tapered off." It is our understanding that the "tapering off" of other requisitions has been an effect of the earmarking and not a cause for earmarking. Apparently if this amount were not regarded as earmarked there would have been no difficulty in getting UNRRA to accept a substantial number of trucks and other items from Canada. The "earmarking" of $16,000,000 for wheat purchases so reduced the balance remaining that UNRRA has not been encouraged to place requisitions in Canada for these other commodities.

(b) The last paragraph in the teletype enquires as to the expectations concerning orders for relief purposes in view of the difficulties with military

[139]Non trouvé.
Not found.

relief financing which may preclude the supplying of Canadian wheat for that particular purpose. We are not at the moment in a position to express any very confident expectations, but if the bulk of the military relief wheat has to come from the U.S., presumably the prospects of Canada being called upon to provide a larger share of UNRRA wheat supplies would be likely to improve. Discussions are to take place in Washington shortly concerning the detailed arrangements for handing over to UNRRA the responsibility for relief in the Balkans. After these discussions we may be in a better position to estimate the probable future demands for wheat from Canada to meet UNRRA requirements. As you will appreciate it is not possible at the moment to estimate the extent to which the U.S. may have to draw on Canadian sources for wheat supplies to meet military relief requirements if Canada withdraws finally from the financing of military relief supplies.

I have etc.

L. B. PEARSON

1186. DEA/2295-BG-40

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au directeur, la direction de blé et du grain, ministère du Commerce

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs to Director, Wheat and Grain Division, Department of Trade and Commerce

Ottawa, March 8, 1945

I should appreciate your advice with regard to the issue raised in despatch No. 570 of March 5th, a copy of which is enclosed. It is suggested in this despatch that the effect of reserving $16,000,000 of the UNRRA appropriation for the purchase of wheat has been to make UNRRA hesitant to order other things in Canada lest it should exhaust its credit here. As the unused margin of credit is not large, it becomes important for us to decide definitively whether to insist on the reservation of $16,000,000 or to allow UNRRA to procure against its credit whatever goods or services it may require.[140]

I am sending a copy of this memorandum to the Department of Agriculture and to the Mutual Aid Administration.

H. F. ANGUS

[140] Aucune réponse ne fut trouvée.
No reply was located.

1187. DEA/2295-BG-40

Le Comité des chefs d'état-major à la mission canadienne conjointe des états-majors, Washington

Chiefs of Staff Committee to Canadian Joint Staff Mission, Washington

TELEGRAM Ottawa, March 15, 1945

To Henry Angus[141] care of Canadian Embassy Washington from Elgin E. Wasson, Canadian Mutual Aid Board Administration, UNRRA Procurement, Ottawa.

Re Hon. L. B. Pearson letter March 5 covering "Earmarking sixteen million dollars UNRRA's appropriation for wheat." It is suggested in paragraph 6A that there would have been no difficulty in UNRRA accepting a substantial number of trucks and other items from Canada if the above amount had not been earmarked. All trucks allocated to UNRRA from Canadian production were purchased by UNRRA from funds available in Canadian appropriation and are now under procurement by Canadian Export Board. However, I was led to believe unofficially that UNRRA would have been prepared to use free funds had the UNRRA truck allocation from Canada required this. Although I do not choose to be quoted I feel that wheat earmarking is a healthy circumstance because UNRRA might find it politically difficult to take US funds for wheat procurement in Canada whereas procurement of other items such as meat, fish, clothing and so forth might not be a problem politically. I am mailing you the last financial statement on UNRRA procurement in Canada† and this will show you that after adequate reserves have been made our fund is so low that a discussion to handle free funds for Canadian procurement will soon be necessary. I believe UNRRA Washington is discussing the possibilities of this arising now but have not been officially advised.

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[141] H. F. Angus était alors à Washington pour des discussions sur le secours militaire avec des représentants de la Grande-Bretagne et des États-Unis.
H. F. Angus was then in Washington for discussions on military relief with representatives of Great Britain and the United States.

1188. DEA/2295-R-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires Extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2796 Washington, May 29, 1945

Following for Pierce and Bryce from Angus, Begins: At this morning's meeting[142] the UNRRA representatives explained that UNRRA's existing resources would be fully committed by the end of this calendar year and that only a small part of the supplies would remain for shipment in 1946. It follows that UNRRA will have to wind up its work unless large additional resources are made available at the meeting in July.[143] It also follows that without these resources UNRRA cannot take over any financial responsibility which will lessen the burden of Military Relief.

I urged very strongly that the position should be explained fully and clearly to all member countries well in advance of the meeting in July in order that they may decide on what course should be followed. It would for instance be possible to make UNRRA's resources last a little longer if the scale of relief were reduced. It would be possible to allow UNRRA to be wound up and to make relief arrangements on a country to country basis. The third alternative would be to make an appeal for further funds. It is hoped that an estimate can be made next week and in the meantime it seems clear that this estimate will call for a second subscription at least as great as the first even assuming that countries now contribute which were not able to contribute last time because they had been invaded and that countries which were not members of the United Nations also make a contribution.

I also emphasized the importance of UNRRA using the short interval before the Council meeting in explaining its position to the public at large and making clear what has been accomplished or is in course of accomplishment as the result of the expenditure of the first $200,000,000.

The facts seem to come as something of a surprise to the State Department representatives and it is possible that the proposals which they are to present tomorrow will be modified. They have already indicated that they think it best that these proposals should be in tentative form and not, as had previously been contemplated, be put in the form of a formal communication. Ends.

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[142] H. F. Angus était alors à Washington pour des discussions au sujet du financement du secours militaire. Voir le document 1122.
H. F. Angus was then in Washington for discussions on the financing of military relief. See Document 1122.

[143] La réunion en question était la troisième session du Conseil d'UNRRA qui en réalité a eu lieu du 7 au 23 août à Londres.
The meeting in question was the Third Session of the UNRRA Council which in fact took place from August 7 to 23 in London.

1189. DEA/2295-R-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2929 Washington, June 5, 1945

Following for Angus from Ritchie, Begins: Military Relief and UNRRA. When Marris[144] saw Mason[145] on Saturday, Mason reported that the United States side are working on the preliminary statement of UNRRA's program of operations which had been discussed with you at the meeting with Hendrickson and that the State Department and Treasury are examining the extent to which, and the ways in which, Congress might be prevailed upon to appropriate further funds for UNRRA. The results of their examination will not have been discussed with Congressional leaders by June 13th but it is intended that they shall have been discussed with the President before that date. Accordingly, Mason expects confidently that the United States side will be in a position at our meeting on June 13th to indicate the nature and extent of the support which the Administration will give to any proposal for asking Congress to appropriate funds necessary to enable UNRRA to discharge its present responsibilities.

Marris is asking the United Kingdom Government for the best statement which they can provide concerning their intentions and capabilities with respect to UNRRA.

As I mentioned to you in our telephone conversation this morning, Hendrickson has invited Mason, Marris, Reinstein[146] and me to meet with his people Thursday afternoon to discuss the more definitive and detailed estimates which they had promised to produce. I shall let you have the results of this meeting as soon as it is over. I am inclined to think that the statement which the UNRRA people will present at that meeting will probably not be as comprehensive as you desire, but it may provide a preliminary basis for the consideration in Ottawa of a possible further contribution to UNRRA. Ends.

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[144] Conseiller, ambassade de Grande-Bretagne aux États-Unis.
Councillor, Embassy of Great Britain in United States.

[145] Assistant du secrétaire adjoint pour les affaires économiques, département d'État des États-Unis.
Deputy to Assistant Secretary for Economic Affairs, Department of State of United States.

[146] Chef associé par intérim, la direction des affaires financières, département d'État des États-Unis.
Acting Associate Chief, Division of Financial Affairs, Department of State of United States.

1190. DEA/2295-BG-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2987 Washington, June 8, 1945

Following for Angus from Ritchie, Begins: Military Relief and UNRRA.

1. As anticipated, we met with Hendrickson and his people in UNRRA Thursday afternoon to receive and discuss the "programme of operations" which they had promised.

2. The estimated programme which they presented was clearly unsatisfactory for our purposes in both form and scope. The tables indicated that expenditures on supplies and shipping through May 31st, 1945, are expected to amount to $778.2 million. Expenditures on supplies and shipping during the last six months of the year are put at $821.8 million, giving a cumulative total of $1,600.0 million by December 31st, 1945. Of the remaining $250.0 million part will be absorbed by administrative services and part represents funds not available for financing procurement in 1945. Thus UNRRA's total available funds will have been exhausted by the end of this year on this estimate. However, the estimate does not take account of the fact that allocations and actual availabilities of supplies and shipping may not permit of the volume of expenditure estimated for the last half of the year. Further, no indication was given of the probable distribution of the anticipated expenditure in terms of individual recipient countries. Finally, no projection of the programme beyond the end of 1945 was presented.

3. The discussion which followed was in very direct terms (Mason pointing out to Hendrickson, at one stage, that the "political difficulties" which Hendrickson foresaw in presenting to Council members a projection through 1946 on a country-by-country basis were small compared with the political and other difficulties which would confront UNRRA in the contributing countries if further funds were to be requested without a full explanation and justification in advance) and concluded with Hendrickson undertaking to provide at a further meeting this Saturday an amplification and projection of the estimates which will include the following statements:

(a) Estimated expenses and obligations up to the end of 1945 in terms of individual commodities and not merely broad commodity groups. This breakdown is intended to enable the supplying Governments to determine whether or not such supplies and the appropriate shipping will be available. In that way it should be possible to check the estimates from the supply viewpoint. This statement will not indicate destinations.

(b) Estimated expenses and obligations up to the end of 1945 in terms of broad commodity groups and countries of destination. The use of broad commodity groups rather than individual commodities will prevent the

proposed recipients from claiming subsequently that certain particular supplies had been earmarked for them. At the same time, the table will be sufficiently precise to give supplying Governments (particularly the appropriating bodies) some explanation of the uses to which funds are being, or will be, put.

(c) Estimated expenses and obligations during the whole of 1946 (or for the remaining period of UNRRA's operations if feasible) on the assumption that UNRRA is to carry out the responsibilities assigned to it by the existing agreement and resolutions. This estimate has been requested in terms of destinations and broad commodity groups.

(d) Possibly also estimated expenses on projects or areas (e.g. Italy) which are not within UNRRA's present responsibilities but which might be brought in by action of the Council.

4. It is my impression that if we get this sort of a statement (and if it is circulated to all members at, or prior to, the Council meeting) the inquiry made in your despatch No. 749 of June 2nd[147] will have been satisfactorily answered. Nevertheless, we are forwarding to the Director General the letter enclosed with that despatch[148] in order to provide a further stimulus to the UNRRA people to produce and circulate such a programme of operations. Ends.

1191. DEA/2295-BG-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-2183 Ottawa, June 11, 1945

Following for Ritchie from Angus, Begins: As my visit to Washington has been postponed I should appreciate it if you can discuss with UNRRA officials the matter which I had intended to take up with them. It has been our understanding that UNRRA, in obtaining supplies for non-paying countries, would give full consideration to the needs of paying countries in respect of commodities in short supply. We have also assumed that full consideration would be given to the needs of countries receiving supplies by way of military relief.

Unless we can have an assurance that UNRRA is ready to consider the needs of the other two claimants, it will be very difficult to avoid making allocations as between UNRRA and the other two in Canada even though we may have inadequate information at our disposal as to the comparative urgency of the requirements. The tendency in such a case would be to give

[147] Non trouvée.
Not located.
[148] Non trouvée.
Not located.

military relief priority because it enjoyed priority when it was active before UNRRA or a paying country could take over. Under present conditions the need may be as great in a country supplied by UNRRA or by its own devices as in a military relief area. There does not appear to be any international machinery for allocating and re-allocating commodities in short supply and we should welcome an assurance from UNRRA as to the policy which it follows in such matters. It should be emphasized that if there is no policy, it will be virtually impossible to protect certain UNRRA allocations in Canada.

I discussed this question with Sale[149] when he was in Ottawa and he and Beamer[150] are thoroughly conversant with it. Ends.

1192. DEA/2295-BG-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-3052 Washington, June 11, 1945

Following for Angus from Ritchie, Begins: Military Relief and UNRRA.

Further meeting of representatives of the State Department, United Kingdom Embassy, Canadian Embassy and UNRRA to which I referred in my WA-2987 of June 8th was held on the afternoon of Saturday, June 9th. Hendrickson presented the analysis which we had requested of the estimates for 1945 which had been introduced at the earlier meeting together with a preliminary estimate of the requirements which UNRRA would have to meet in the calendar year 1946.

I shall not add to the information reported in my earlier teletype concerning the estimates for 1945 as our examination of the analysis presented at the Saturday meeting indicated that further changes would be required in these estimates before they would be satisfactory for our use. The UNRRA officials have undertaken to make the necessary improvements and will let us have the results in a few days.

Although the preliminary estimates for 1946 are also to be changed somewhat within the next few days, I think you will be interested in some indication of the magnitude and distribution of the requirements set forth in the initial version. In total, the estimates would indicate that requirements to

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[149] Membre, la Mission canadienne conjointe des états-majors, Washington; secrétaire, le Comité canadien des opérations de secours, Washington.
Member, Canadian Joint Staff Mission, Washington; Secretary, Canadian Relief Operations Committee, Washington.

[150] Membre, la Mission canadienne conjointe des états-majors, Washington; chef, la section permanente, le ministère des Munitions et des Approvisionnements, Washington; membre, le sous-comité des approvisionnements, le Comité composé des affaires civiles.
Member, Canadian Joint Staff Mission, Washington; Head, Permanent Section, Department of Munitions and Supply, Washington; Member, Supplies Sub-Committee, Combined Civil Affairs Committee.

be met by UNRRA in 1946 (excluding any program for Italy even for children and mothers, and assuming that all the areas for which UNRRA has responsibility in Europe will be self-sufficient in food during the second half of 1946) will amount to something like 2,183.4 million dollars, of which 1,242.1 million dollars represent requirements for the first half year and 941.3 million dollars requirements for the second half year. These estimates cover shipping charges and the costs of services as well as the costs of supplies. It is to be noted that the estimates for 1946 are on a requirements (i.e. required arrivals) basis, whereas the estimates for 1945 were on a procurement basis. Accordingly the above total should be reduced by some 500 million dollars (to allow for that part of total 1946 requirements which will be met out of procurement initiated in 1945 with the funds available to UNRRA from the first contribution) if an estimate is desired of the new financing which UNRRA will have to undertake to meet 1946 requirements. In short the estimates would indicate that UNRRA will require a further contribution corresponding very closely to the first contribution if they are to continue to meet during 1946 the obligations imposed upon them by the original agreement and subsequent Council resolutions or Central Committee decisions.

By far the largest beneficiary, according to these estimates, is to be China. The estimates place China's requirements at 817.8 million dollars, of which somewhat less than 200 million dollars will be met out of procurement initiated during 1945, leaving something over 600 million dollars to be financed out of any new contributions for 1946. In our discussion considerable attention was given to these figures for China. While it was generally agreed that the figures appeared very high in relation to the requirements of other areas, it was noted that the Chinese program had been prepared with great care and in close consultation with UNRRA's representatives and that no reasonable basis existed for scaling down the stated requirements unless scarcity of supplies, shipping or port facilities should subsequently require a reduction in the program.

Hendrickson remarked that the estimates might have to be increased even if no action is taken at the Council meeting in London to extend the scope of UNRRA's responsibilities. He observed in particular that further assistance might be requested for areas now under the control of the U.S.S.R. and possibly for displaced persons in those areas. He reported that assurances had been volunteered by the U.S.S.R. during the past few days that their 800 thousand dollar contribution to administrative expenses would be forthcoming shortly and that visas would be granted almost immediately for the Mission to Poland.

At the conclusion of this meeting with the UNRRA officials, Marris and Jackling of the United Kingdom Embassy, Collado, Reinstein and Gilpatric of the State Department and I met informally to discuss the results of the meeting and of other related developments. It was agreed that UNRRA had done a very good job in producing fairly satisfactory figures in such a short time and that the less preliminary figures expected in the next few days would be of assistance to all of us. However, the State Department people expressed their

pessimism at the prospects for a further United States contribution to UNRRA. Collado reported that he and Mason had dined the previous night with six of the key Congressman whose support would be required, and found them most critical of UNRRA although appreciative of the need for some relief arrangement. Marris enquired whether the views of these Congressmen would be affected by a change in the management of UNRRA. Collado agreed that if some outstanding United Nations personality not previously associated with UNRRA during the period of criticism (say General Eisenhower or some other military leader) were to be appointed as Director General, the opposition would almost certainly disappear. He recognized that most of the opposition in Congress was based on rumour and irresponsible remarks made by UNRRA officials in the field to visiting Congressmen. Marris indicated that his conversation with Acheson had left him with the impression that Acheson also was pessimistic.

Collado observed that the figures which had been presented would indicate that China and Italy will be the principal areas requiring relief assistance during 1946. He reported, as you probably would expect, that there would be no difficulty in getting an adequate appropriation from the United States Congress for these two countries, but he thought that Congress might prefer to provide such assistance directly rather than through UNRRA. If Congress were to insist on direct assistance to Italy and China he could not see how the needs of the remaining areas now within UNRRA's responsibility in Europe would be taken care of. He was inclined to think that there was no hope of getting a further appropriation for UNRRA unless China and Italy are left to UNRRA and the widespread support for assistance to these two countries can be brought behind the request for a further UNRRA contribution. Collado mentioned that hearings are to be held this Wednesday on the appropriation requested by the F.E.A. including an item of 50 million or one hundred million dollars for use in Italy subject to military justification and verification (i.e. for Military Relief). He felt that this item would almost certainly lead the Congressional Committee to enquire what arrangements were being made to meet the balance of Italy's obviously substantial requirements. He was not sure what answer would be made to such questions, but he thought that the discussion would provide some basis for recommendations concerning the nature of future relief arrangements for Italy.

Collado recognized the interest which the present United States Administration must have in the continued and efficient operation of UNRRA. He remarked that the Government would be in an embarrassing position in advocating the establishment of the Bretton Woods Institutions, the F.A.O. and even the United Nations International Security Organization if they were to withdraw their support from the first United Nations Organization to be established and to admit that its operations were regarded as less satisfactory than direct unilateral action. Ends.

1193. DEA/2295-Q-40

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

Ottawa, July 11, 1945

THE UNRRA MEETING IN AUGUST

1. Two questions will come before this meeting on which the Canadian delegates should have instructions or at least an indication of policy. The first of these concerns the willingness of Canada to find further financial support for UNRRA if the United States and the United Kingdom, together with some other nations, are prepared to do so. The amount involved would be at least one-half of 1% of our national income in the base year and there may be a commitment suggested as high as 1%, namely $77,000,000 Canadian.

2. The second question concerns the scope of UNRRA's work. Even the higher of the figures mentioned in the preceding paragraph would (if Italy and Austria are placed under UNRRA's care) reduce the scale of UNRRA's contemplated operations and make it necessary to indicate cut-off dates to the various countries which are being supplied. UNRRA would have to modify its policy of meeting needs as they arise and leaving future needs to be covered by further financial provision. It might be necessary to ear-mark funds for specific countries in order to ensure that no country would be entirely neglected. The problem is how insistent Canada should be in imposing an overall limit on UNRRA's operations and at what point we should make it clear that the limit of our own commitment will be reached or closely approached. Probably the United Kingdom will go furthest in imposing a hard and fast limit on its commitment as it may well do because of the principle that no nation should be compelled to go into debt for its own relief. This could easily be taken to imply that the United Kingdom should not increase its foreign debt in order to contribute to the relief of others.

3. If our participation in the discussions is to be effective and fruitful, we should have some indication in advance of the Government's attitude on these two questions, even although it will be clearly understood that any proposed commitment would have to be referred for approval.

4. UNRRA appears to be asking for $2,200,000,000 U.S., of new funds to cover its activities up to the end of 1946. This figure makes no provision for any work in Italy or Austria. It, therefore, compares with the United Kingdom figure of $1,500,000,000, including Italy and Austria, by placing UNRRA's ultimate cost about twice as high as the United Kingdom would approve.

H. F. A[NGUS]

1194. DEA/2295-Q-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-3740 Washington, July 14, 1945

Following for Robertson from Pearson, Begins: Your EX-2565 of July 11th.[151]

I had a talk with Acheson and Marris at the State Department yesterday concerning proposal for additional members to the Central Committee of UNRRA.[152] Acheson understands our difficulties in this matter and is going to press for a solution along the lines indicated in my letter to you of July 3rd.[153] He is sorry that they put forward France without mentioning Canada also. He also is somewhat afraid lest the Latin Americans may now press for membership on the Central Committee but the United States and United Kingdom are both willing to deal with that problem if and when it arises.

We also had a long talk concerning the forthcoming Council meeting especially the question of securing further appropriations for UNRRA and criticisms which will undoubtedly be leveled at the Administration itself. Acheson realizes that the members are not likely to support very enthusiastically any recommendations for further contributions unless UNRRA can be reconstituted on a new and more efficient basis. On this latter point, Acheson is sending a report to Clayton[154] which will suggest, I believe, that President Truman should discuss the matter with the British and then take necessary steps with Governor Lehman. I have doubts whether anything effective will result from all this.

I assume that the Canadian Delegation to the UNRRA Council will be given an indication of the general attitude of our Government to the future of UNRRA and specific instructions on items on the draft agenda. The United States Delegation to the Council is likely to be a strong one headed by Clayton with three or four others from the State Department and a similar number from F.E.A. W. L. Batt will also be attending.

I think that generally the Americans and British will support a recommendation that another 1 per cent contribution should be made to finish UNRRA's work, but that only ½ of this need be made available in the immediate future

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[151] Non trouvé.
Not located.

[152] Voir les documents 1232 et 1233.
See Documents 1232 and 1233.

[153] Non trouvé.
Not located.

[154] Secrétaire d'État adjoint des États-Unis.
Assistant Secretary of State of United States.

for those programmes on which there is definite information as to requirements. This leaves open the question of how and when to get the remaining ½ per cent. Marris thinks the British will be able to agree to this. The United States will support it also but anticipate considerable Congressional difficulty.

Finally we discussed the admission of neutrals to membership. There was definite United Kingdom and United States agreement that steps should be taken to get Argentina into the Administration. She is the only non-member country which could contribute anything substantial in the way of supplies, as Sweden is already doing everything she can in relief matters outside UNRRA. It is felt that the easiest way to get Argentina in would be by a Resolution of the Council inviting those States, members of the San Francisco Conference and not members of the Administration, to join the latter Organization. A resolution in this form would be difficult for the U.S.S.R. to oppose. It would also mean that Turkey could join which might be useful while it avoids the difficulty of making distinctions between neutral States, one[155] of whom would be covered by it. Ends.

1195. DEA/2295-Q-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-2639 Ottawa, July 18, 1945

Following for Pearson from Robertson, Begins: Your WA-3740 of July 14th, UNRRA meeting.

It may be impossible to obtain detailed instructions for the Canadian delegation, although the Government's attitude towards UNRRA is sympathetic and it would not be surprised by a recommendation of a further contribution towards UNRRA's funds on the lines suggested.

Importance is attached to making any additional contribution in a form which will enable Canada to count as part of it whatever may have been spent by Canada on military relief account after the loss limit of $400,000,000 was reached. I understand that the United States authorities are generally sympathetic to this position and consider taking a similar position.

Marris would, I understand, regret any action that might lead the United Kingdom to reduce its net contribution to UNRRA beyond the figure of $150,000,000, which can be described as bringing the United Kingdom's total contribution up to 1½% of its national income. I do not understand that our proposals need have this effect. If the United Kingdom were to follow the course proposed, the only deduction which it would make from its contribution to UNRRA would be its actual contribution to military relief after the loss

[155] Voir le dernier paragraphe du document suivant.
See last paragraph of following document.

limit had been passed. This contribution, it is understood, will consist of goods and services supplied from the United Kingdom, the Colonies and South Africa. It should be perfectly easy to augment the proposed contribution to UNRRA by the figure, whatever it may be, at which the United Kingdom estimates this contribution to military relief. For discussion purposes, a figure of $25,000,000 had been used. There would be no decrease in the net funds available for UNRRA unless the estimate made were too low.

It is true that UNRRA might not get the full $1,000,000,000 of new funds which Marris considers necessary but any failure to do so would be the result of deductions made by the United States and Canada from their contributions. Put a little differently, in order to secure $1,000,000,000 of new money for UNRRA, it might be necessary to subscribe ¾ of 1% or 6/10 of 1% rather than ½ of 1%, or it might be possible for UNRRA to get along with an immediate contribution of rather less than $1,000,000,000 of new money.

These issues have been pretty thoroughly discussed with Marris and with Mason, but I am mentioning them again because I do not think that they have been brought to the attention of Acheson and Clayton.

Should the final line of your teletype be amended by replacing "one" by "none"?[156] If not, which is the neutral country which would be included by the proposed formula? Ends.

1196. DEA/2295-R-40

Mémorandum du ministère des Affaires extérieures au Cabinet

Memorandum from Department of External Affairs to Cabinet

Ottawa, August 8, 1945

FURTHER FINANCIAL CONTRIBUTION FOR UNRRA

1. The third meeting of the UNRRA Council began in London on August 7. One of the important questions which will be presented to the meeting will be that of a further contribution by member countries for relief purposes.

2. The latest information available is that the United States Government will propose that the members of UNRRA should be asked to approve a further contribution to the extent of 1% of their respective national incomes. This percentage would be subject to revision downwards if (which is unlikely) a subsequent review by UNRRA when requirements are more definitely known, shows that the full amount will not be needed. This further contribution would provide the amount necessary to complete UNRRA's relief operations in Europe, in China and in other non-European countries. The proposal would involve a contribution by Canada of approximately $77,000,000 Canadian. It was expected some weeks ago that the United Kingdom would be unlikely to agree to a contribution of this size at the present time and might suggest that only one half of 1% or preferably six-tenths of 1% need be subscribed

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[156] En effet, le mot était «none.»
In fact, the word was "none."

immediately. The United States Government, however, considers that it can approach Congress with a better chance of success if it asks for the larger sum with an assurance that it will in all probability represent the last call upon Congress for an UNRRA contribution.

3. The proposal that UNRRA relief should be kept within these financial limits may well encounter some opposition from the UNRRA Administration, which has supplied figures suggesting that a considerably larger amount is needed without taking into account any operations in Italy or Austria. The inclination of the United States and the United Kingdom appears to be to insist very firmly on the limitation of expenditure.

4. Within the last ten days the U.S.S.R. has formally advised UNRRA that it would present to the Council at this session, a request for relief supplies to the amount of $700,000,000, for delivery within one year. Possible Soviet needs were not taken into account in the discussions relative to a further contribution and the amount of the contribution will certainly have to be reviewed if the Soviet request is approved in any large part.

5. It is important that the Canadian delegation, which is at present at the meeting of the Council, should be advised if the Canadian Government is willing to join with the other two Governments in a contribution of the order of $77,000,000. Naturally it is expected that the Governments which subscribed previously will do so again and that others may join with them. Relatively speaking, however, the contributions from these other sources are not large. They are certainly not large enough to affect the general validity of the proposed plan, which would be workable if the United States, the United Kingdom and Canada agree to it.

6. The Department of External Affairs therefore recommend that it be authorized to advise the Canadian member of the UNRRA Council if the Government of Canada is prepared to agree to a contribution of $77,000,000. It is understood that the Minister of Finance is prepared to agree to this recommendation.

1197. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET Ottawa, August 15, 1945

...

U.N.R.R.A.; CANADIAN CONTRIBUTION

10. THE MINISTER OF FINANCE pointed out that the third meeting of the Council of U.N.R.R.A. was taking place in London and that further financial assistance was required to continue relief operations during the coming year.

It was now reported that the U.S. government would ask Congressional approval for a further contribution equal to one percent of the national income and that the United Kingdom would pursue a similar course.

It was recommended by the Department of External Affairs that the Canadian representatives in London be instructed that the government were prepared to join with the United States and United Kingdom in making the necessary financial provision, the Canadian contribution to be on the basis proposed, viz. one percent of the national income or $77 millions.

An explanatory note had been circulated.

(External Affairs memorandum, Aug. 8, 1945—Cabinet Document No. 23).

11. THE CABINET, after discussion, agreed that Canada agree to join with the United States and the United Kingdom in a further contribution to U.N.R.R.A. on the basis proposed and that the Canadian members of the Council be authorized to so state, on the understanding that such undertaking on behalf of the government was subject to approval by Parliament, and on condition that the U.S. government contributed on a like basis.

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1198. DEA/2295-R-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 1865 Ottawa, August 15, 1945

IMMEDIATE. Following for Pearson from Robertson, Begins: Reference your telegram No. 2318.[157] You may inform Council of UNRRA that Canada will pay a further proportionate contribution for the support of UNRRA activities. Funds for this purpose will, of course, have to be voted by Parliament and this vote would depend on whether a corresponding contribution had been made by the United States. You should make it clear that our contribution would be contingent on the United States contribution being forthcoming but should not insist that the United Kingdom make exactly the same percentage contribution, though it would, of course, be politically desirable if the United Kingdom could continue to share on the same basis as the first assessment. Ends.

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[157] Document 1133.

1199. DEA/2295-R-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6153 Washington, December 6, 1945

IMMEDIATE. An informal enquiry has been received from UNRRA concerning the present status of the second Canadian contribution of one percent. It would be much appreciated if you could let us have a statement of the action taken to date by Parliament on this measure. Although any information which you might give us would not be quoted as an official statement of the Canadian Government, the UNRRA people may wish to make use of the information in their present discussions with Congress on the second United States contribution. It would be appreciated if we could have this information during Friday, December 7th.

1200. DEA/2295-R-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4166 Ottawa, December 7, 1945

Your WA-6153 of December 6 concerning present status of second Canadian contribution of 1% to UNRRA.

Bill 172, "An Act for granting to His Majesty Aid for National Defence and Demobilization" passed the House of Commons on November 23. It was sent up to the Senate where it was referred to the Committee on Finance, which has not yet reported it back. It is expected that the report will come in a few days and that the Bill, being a money bill, will be reported without amendment and submitted for royal assent before the end of the next week.

When presenting the Bill to Parliament, the Minister of Finance stated:

"It will be noted that I have included a figure of $25,000,000 for UNRRA in the further amounts required for the current year but not yet provided. This is intended to enable us to furnish, before the end of our fiscal year, a portion of a second contribution to UNRRA, which the Canadian government has agreed to make, provided that the United States and other contributing nations will also make a second contribution. The total of our second contribution would be the same as our first, that is, one per cent of our estimated national income for the year ended June 20, 1943, which amounts to $77,000,000 in all."

Should more than $25,000,000 be needed before the end of the fiscal year, the Government would use its best endeavours to provide the supplies requested.

I shall advise you as soon as I am able of the stage in processing of the United States contribution when the Canadian Government will consider that "the United States and other contributing nations will have also made a second contribution."

1201. DEA/2295-R-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6305 Washington, December 18, 1945

IMMEDIATE. Following for Chapdelaine from Ritchie, Begins: Reference WA-6301 of December 18th,† United States contribution to UNRRA.

The office of the Diplomatic Adviser in UNRRA enquired this afternoon whether in the light of action taken by the United States Congress to authorize the second United States contribution to UNRRA it would be possible to get the approval of the Canadian authorities to some announcement by UNRRA concerning the Canadian contribution. We should be grateful, therefore, if, as soon as the first $25,000,000 of the second Canadian contribution becomes available for use by UNRRA, you would advise us officially by teletype in order that UNRRA might make some announcement. In view of the fact that some misunderstanding might develop if such an announcement were to refer only to $25,000,000 without any indication of the intention of the Canadian Government with respect to the balance of the full second contribution you might at that time give us a form of words acceptable to Ottawa expressing the intention of the Government concerning the balance of the contribution. Ends.

1202. DEA/2295-R-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affaires to Ambassador in United States

TELETYPE EX-4281 Ottawa, December 20, 1945

Your WA-6305 of December 18 regarding United States and Canadian contribution to UNRRA.

1. As I have informed you, royal assent was given to Bill 172, an Act for Granting to His Majesty Aid for National Defence and Demobilization, on

Tuesday, December 18.[158] A recommendation has now gone to Treasury Board, to the following effect, which I understand will be acted upon favourably:

"(a) to release funds now to the Department of Trade and Commerce for purchases in Canada on behalf of UNRRA up to an amount of $25,000,000 as soon as the United States have appropriated funds to UNRRA out of their second contribution;

(b) to provide that an amount of $2,500,000 may be subtracted from this $25,000,000 for transfer to UNRRA in United States dollars for use as it sees fit; or, since UNRRA may want to use this 10% in Canada, it might be best to advise UNRRA that this 10% of the appropriation is available on request, but will not be transferred unless requested;

(c) to authorize the Department of Trade and Commerce, as UNRRA needs require, to make commitments on behalf of UNRRA during the first quarter of 1946 up to an amount additional to the $25,000,000 mentioned under (a), which, together with the $25,000,000 will be the same proportion of the Canadian contribution of $77,000,000 that the sum appropriated by the United States Congress will be of the total United States contribution; and that 10% of this additional amount be allowed to be transferred or made available on request to UNRRA for purchases in or outside of Canada as UNRRA sees fit."

A copy of the full memorandum is going forward to you by bag.

2. You will note that no funds will be provided to UNRRA until the United States "have appropriated" as opposed to "unauthorized" funds for UNRRA; that as soon as the United States have actually provided funds, an amount of $25,000,000 will be made available for purchases by UNRRA; authorization has also been sought for entry into commitments on behalf of UNRRA up to an amount which, together with the $25,000,000, will bear the same proportion to the total Canadian contribution of $77,000,000 that the amount appropriated by the United States bears to the total United States contribution of $1,350,000,000.

3. An announcement by UNRRA could be made which would state that the Canadian Government has approved a second contribution to UNRRA to the full amount of $77,000,000 and that it is estimated that $25,000,000 will be sufficient to cover actual deliveries during the first three months of 1946, but that more will be provided in that period if required and other contributors also make funds available proportionately.

4. This is strictly true, since war appropriations are global and the use of the funds is in no way restricted to the estimates made. Only the total is a maximum.

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[158]Voir Canada, *Statuts*, 1945, 9-10 George VI, chapitre 37.
See Canada, *Statutes*, 1945, 9-10 George VI, Chapter 37.

1203. DEA/2295-R-40

Procès-verbal d'une réunion du Conseil du Trésor

Minute of a Meeting of Treasury Board

P.C. 2/7443 Ottawa, December 21, 1945

TRADE AND COMMERCE

The Board had under consideration the following memorandum from the Honourable the Acting Minister of Trade and Commerce:

"The undersigned observes that, whereas the Mutual Aid Administration was the procurement agency for UNRRA in Canada, this function has now been transferred to the Department of Trade and Commerce.

The undersigned further observes that in the War Expenditures and Demobilization Bill which the Minister of Finance presented to the House of Commons on September 28th, he included an amount of $25,000,000 for UNRRA. The purpose of this amount is to enable the Government of Canada to provide a portion of their second contribution to UNRRA before the end of the present fiscal year. This action is contingent upon the United States and other contributing nations making second contributions and

Whereas certain action has now been taken by the Government of the United States, it is expected that country will make their second contribution this week, it is desirable that certain funds be awarded the Department of Trade and Commerce in order that essential food and supplies may continue to flow to the liberated areas.

The undersigned, therefore, recommends that the Department of Trade and Commerce be authorized to enter into commitments on behalf of UNRRA and that the sum of $25,000,000 be released to the Department of Trade and Commerce for this purpose.

The undersigned further recommends that the Department of Trade and Commerce be authorized to transfer $2,500,000 of this amount to UNRRA in the United States for such use as they see fit should such an amount be requested."

The Board, having approved the estimate of expenditure chargeable to the War Appropriation and the War Expenditure and Demobilization Appropriation, and the allotment of the necessary funds, concur in the above report and recommendation and submit the same for favourable consideration.

A. D. P. HEENEY

Clerk of the Privy Council

1204. DEA/2295-BG-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6374 Washington, December 22, 1945

IMMEDIATE. SECRET. Late yesterday afternoon a meeting was held on very short notice in the office of the Acting Secretary of State to discuss problems resulting from the inadequacy of the tentative allocation of wheat to UNRRA. The meeting was called at the request of the Director-General of UNRRA and was attended by Director-General Lehman with senior officials from his staff, Acting Secretary of State Acheson with officials of the State Department concerned with UNRRA and commodity matters, and representatives from this Embassy (Ritchie) and the United Kingdom Embassy.

The UNRRA officials indicated briefly the extent to which present allocation recommendations failed to meet even the minimum screened requirements of the countries for which they had primary supply responsibility, particularly in comparison with the relative adequacy of provision made for the civilian population of the occupation zones of Germany, and explained that they felt bound to make representations to the diplomatic representatives of the principal countries concerned in view of the most serious political repercussions which might be expected. They felt that the Governments of the United States, United Kingdom and Canada should be made aware of the situation with all its political implications and that the three Governments should not expect UNRRA to carry the responsibility for the consequences of a distribution of wheat among various claimants which had been determined by the supply officials of the three countries (with or without consultation with the political Departments of their Governments) over the protest of UNRRA. UNRRA recognized that the supplying Governments must retain full control over the distribution of supplies among the various claimants and, for the same reasons, UNRRA maintained that those Governments must be prepared to accept full responsibility for the consequences of their decisions on the appropriate distribution of the wheat supplies. Governor Lehman mentioned that the United States and United Kingdom have been pressing UNRRA during the past several days to take over at least partial responsibility in Italy and Austria even though the assumption by UNRRA in the immediate future of responsibility for Italy and Austria could be accomplished only through diverting to those countries some of the limited supplies (including wheat) now en route to other UNRRA recipient countries. Commander Jackson, the Senior Deputy Director-General of UNRRA, expressed the view that they could not possibly undertake responsibility for Italy and Austria, at a time when in large areas of Austria the diet of the population has fallen to 700 or 800 calories a day, unless a substantial improvement is realized in the allocation of supplies (particularly wheat) to UNRRA immediately.

Several of the State Department officials emphasized that the United States authorities were impressed with the seriousness of the situation resulting from the over-all inadequacy of wheat supplies and possibly also from the presently proposed division of the available supplies. One of the State Department officials mentioned as evidence of the consideration being given to the problem the fact that 30,000 truck tires have been allocated to Argentina for the movement of wheat to seaboard despite an awareness of the probable political reaction of other Latin American countries to this allocation. Mr. Acheson added that the problems involved in the wheat situation had been discussed at the White House that morning.

After considerable discussion, Mr. Acheson undertook to meet on Monday, December 24th with Secretary of Agriculture Anderson and their respective staffs to work out arrangements which would produce immediately a re-assessment of the United States wheat position with a view to determining the possibility of making available for allocation wheat supplies additional to those covered in the original recommendations of the Cereals Committee. At the same meeting arrangements would be made to ensure that, in dividing the total supplies of wheat found to be available, political considerations would be taken into account and that the political decisions involved would be made not by the technical or supply people but by the Secretary of State. Although Mr. Acheson did not profess complete familiarity with the existing machinery for consultation among the supplying and receiving Governments on wheat matters, he recognized that the disposition of supplies from all sources would have to be coordinated to the maximum extent possible since otherwise action taken by one supplying Government might be offset by the action of other supplying Governments. As we understand the United States intention, consultation among the principal Governments concerned (probably through the members of the existing Cereals Committee acting in consultation with, or under instructions from, the Political Departments of their respective Governments) will follow immediately upon the determination by each of the Governments of the maximum amount of supplies available and of the possible division of such supplies among the various claimants taking full account of the political consequences involved.

The representative of the United Kingdom Embassy indicated that the United Kingdom Government has been giving urgent consideration to the problem and that he hoped to have some definite instructions early in Christmas week. He observed that the United States and United Kingdom officials were to meet with UNRRA within the next few hours to consider further the feasibility of transferring to UNRRA supply responsibility for Italy and Austria and that such discussions would have to take account of the position outlined by UNRRA at the present meeting.

In view of the seriousness of the political consequences which may result if the present allocation recommendations are adhered to, and in view of the fact that any revision of those recommendations will clearly involve a balancing of the political consequences of one possible recommendation against those of another, you will doubtless wish to have the situation considered by the various

Departments concerned in order that we may be in a position to participate in discussions with the other countries involved and in order that the Canadian representative on the Cereals Committee may have a full appreciation of the political considerations which may have to override ordinary supply considerations.

1205. DEA/2295-BG-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4333 Ottawa, December 28, 1945

CONFIDENTIAL. Your WA-6374 regarding allocations of wheat.

1. The Canadian allocation presented to and approved by the Combined Food Board was for a total of a hundred million bushels from January till April 1946. Of this amount, 55 million is to go to the United Kingdom, which obtains first priority, second priority going to the liberated countries of Western Europe, the L.F.C. and UNRRA and a lower priority to other areas.

2. The Canadian authorities have done all in their power to maximize the putting of wheat into position at seaboard for despatch overseas and consider that they have done the best possible job in the circumstances. Wheat in Canada is under the complete control of the Canadian Wheat Board; it directs its movement and shippers are only its agents in regard both to movement and to purchasers.

3. The Canadian allocation, approved by the Combined Food Board, was reached after consideration by a committee of officals on which this Department was represented and the Cabinet Wheat Committee; all aspects of the question were reviewed before decision was reached.

For your information I might say that some of the fall in production in UNRRA countries is likely due to land policy in those countries and in a certain way I consider that those responsible for such policy should be held responsible for its consequences.

4. The only complete allocation of supplies amongst producing countries is done by Canada; in the United States there is no set aside order as for meat, but the control of the wheat is in the hands of the trade, and market considerations apply. Moreover, the price differential is an added incentive for applicants to come to us for supplies.

5. In our allocation top priority was given to United Kingdom requirements and others treated in the order mentioned above. It is our understanding that the United Kingdom has only a five-week reserve of imported wheat, which is just about the minimum required for milling and distribution. We could not, therefore, agree to reduce the United Kingdom allocation, but would be prepared to come in on any arrangements that might be reached between the

United Kingdom and other claimants for surrender by the United Kingdom of its supplies from Canada.

6. Our understanding is that there is in the United States up to a hundred million bushels of wheat which would be available for export, if certain steps were taken in trading arrangements and in inland transportation. Additional supplies could therefore be tapped there.

7. For your confidential information at the present time, a review by the Canadian Wheat Board of Canadian supplies discloses that there is approximately five million bushels of No.4 Northern wheat and from ten to fifteen million bushels of oats which could possibly be transferred from feed stocks in Canada for use for human consumption and could therefore be added to supplies for allocation in the export field. The question of relaxing these supplies is being taken up urgently with Mr. Gardiner in London and I shall advise you shortly of the decision.

SECTION C

APPROVISIONNEMENTS DE SECOURS POUR L'UNION SOVIÉTIQUE
RELIEF SUPPLIES FOR THE SOVIET UNION

1206. DEA/2295-AT-40

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État par intérim aux Affaires extérieures

Minister, Embassy in United States, to Acting Under-Secretary of State for External Affairs

SECRET Washington, May 9, 1944

Dear Sir,

I was asked to see Mr. Charles Taft and Mr. Wayne Jackson of the State Department today concerning the relationship of the Russian Protocol[159] and possible requests from the U.S.S.R. for relief supplies under UNRRA. Mr. Taft handed me a memorandum, two copies of which are attached, which gives the State Department's views on this important matter; also on the related question of supplies for the relief of areas which are not a part of the Soviet Union but which are liberated by Soviet military action.

My own view is that the stand taken by the State Department that, in present circumstances, all relief supplies for the Soviet Union should be made available under the Protocol and not by UNRRA, is a sound one.

I understand that a copy of the memorandum has also been given to the United Kingdom authorities in Washington, who are giving it consideration.

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[159] Voir le volume 9, document 398.
See Volume 9, Document 398.

It is obviously desirable that if an approach is made to the Soviet authorities and to UNRRA on this subject, it should be on behalf of the three governments signatory to the Protocol. I would be glad, therefore, to receive as soon as possible your observations on the State Department memorandum.

Yours sincerely,

L. B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du département d'État des États-Unis

Memorandum by Department of State of United States

Washington, May 5, 1944

RELIEF FOR THE SOVIET UNION AND
EASTERN EUROPEAN COUNTRIES

This memorandum relates to the question of relief for liberated areas of the Soviet Union, to an informal statement made by the Russian member of the Supplies Committee of UNRRA that the Soviet Union already had liberated areas which should be given relief, and to an inquiry from Leith-Ross to Salter[160] saying that the Czechoslovakian Government had inquired of UNRRA as to whether relief could be given to Czechoslovakian areas now being liberated by making good to the Soviet Union in the future supplies which that Government might furnish to the Czechoslovakian areas.

The following seem the important considerations:

1. Under present circumstances the only supply inlets to the Soviet Union and the areas presently being liberated are through the northern route, the Pacific route, and the Persian Gulf route to the Soviet Union. Tonnage which can be shipped is limited primarily by the port and inland shipping facilities at these three inlets. It has been demonstrated that whenever tonnage beyond a certain point is employed, the turn-around time of the ships immediately increases, showing beyond doubt that only a definite amount of tonnage can be handled by ports. Therefore it would seem clear that so long as the entire capacity is being taken up with Protocol shipments, no additional tonnage can be shipped by UNRRA; in other words, UNRRA's tonnage would merely replace Protocol tonnage.

2. Although these facts are generally accepted, it has been suggested that the Soviet Union and the United States and UNRRA might find it advantageous to substitute UNRRA's tonnage to some extent for Protocol tonnage for the purpose of relief in Soviet areas. This suggestion does not seem sound for the following reasons:

(a) It has been suggested that the Soviet Union might wish to receive a certain amount of supplies which it would contend were for its liberated areas through UNRRA rather than through the Protocol, since if the goods were

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[160]Directeur général adjoint principal, UNRRA.
Senior Deputy Director-General, UNRRA.

sent by UNRRA a final settlement would be unnecessary whereas there would always be the possibility of payment or other benefits being required for Protocol shipments. This assumes that UNRRA would determine that the Soviet Union was not a paying country. It may be that this is so, but to raise the question would precipitate a most difficult problem both for the Soviets and for UNRRA.

(b) It has been said that the United States would find benefit in the above proposal since Protocol goods would be paid for by the United States whereas UNRRA's goods would be paid for only in part by the United States. This suggestion is quite unfounded. Both under the Protocol and under UNRRA, goods which were sent from the United States would be paid for by the United States. There would be no difference therefore in the financial consequences to the United States.

(c) So far as UNRRA is concerned, the advantage to it is said to be that it could immediately begin to furnish relief which is its principal function. I think that this is a shortsighted view. It would merely mean that the UNRRA appropriation would be charged for goods which could just as well move under the Protocol so that when UNRRA funds were needed later on, they would not exist. Furthermore, such a position goes counter to UNRRA's principle of not using its funds to supply goods to military forces to be distributed by them. UNRRA should only use its funds to supply goods which cannot otherwise be supplied.

3. The problem of relief for liberated areas of the Soviet Union should be looked at from the point of view of the United States, United Kingdom, and Canada—the supplying countries—rather than primarily from UNRRA's point of view. The supplies must come from these three countries in the present phase of the war in any event. It should not be regarded as a relief problem but as a Soviet supply problem, just as food sent to the UK is not regarded as a relief problem but as a UK supply problem. The fact that new areas of the Soviet Union have been uncovered should not inject relief as a separate concept into the consideration. The Soviet Union should be informed by the three countries that supplies furnished by them to the Soviet Union during the present phase of the war will continue to be supplied under the Protocol. The main purpose continues to be to enable the Soviets to prosecute the war with the utmost vigor. To do this there may be some shift in the nature of their requests, but within the limits of Protocol tonnage the shift cannot be very great and it should continue to be handled as supply for the prosecution of the war.

Therefore, the position should be taken that all relief supplies for the liberated areas of the Soviet Union will be made available during the present phase of the war under the Protocol and UNRRA should be notified accordingly. If there is a necessity for continuing relief supplies after the termination of hostilities, when Lend-Lease aid may not be available, the problem can be reconsidered in all its aspects.

4. There remains the question of supply for relief of areas which are not a part of the Soviet Union but which are liberated by Soviet military action. So

long as the only access to these regions is through Soviet inlets, all the transport difficulties mentioned above apply and if any supplies were furnished for these areas, they would reduce the amount which can be furnished under the Protocol. So long as these conditions exist it may be difficult to make any satisfactory arrangement for shipping supplies directly for the use of non-Soviet liberated areas or for people of non-Soviet countries. Until circumstances change, we can continue furnishing supplies to Russia under the Protocol, leaving the question of supplies for areas liberated by Soviet action to be settled by the Russians and the particular country involved.

5. We should not foreclose ourselves, however, from being in a position to consider any reasonable proposal which governments of non-Soviet liberated areas may wish to discuss. So long as transport difficulties limit the amount of material that can be sent under the Protocol, we should not take the initiative in suggesting that Protocol shipments be displaced for relief shipments to other countries. However, if the Czechs, for example, are able to make an arrangement with the Russians by which supplies for Czech account would be delivered to Czechs, we should consider such a proposal.

It is doubtful whether we could properly enter into any arrangements which contemplated that we would, at some future date, replace under Lend-Lease supplies which the Soviets had previously made available to the Czechs. Such an arrangement would not only involve impossible accounting problems but might well not be authorized under the Lend-Lease Act.

6. With regard to UNRRA activities in non-Soviet liberated areas, we should take the position that UNRRA should not operate while such areas are under the control and supervision of the Soviet military. This would be consistent with the position which we have previously taken that UNRRA resources are not to be depleted during military operations. When and if recognized local governments are set up and UNRRA can make appropriate arrangements for the transportation of its supplies and personnel and for adequate supervision of relief operations, there would seem to be no reason by UNRRA should not take up the functions for which it was created and we should urge it to do so. It seems unlikely, however, that such arrangements can be made under existing circumstances.

We should oppose any proposal, such as that contained in the inquiry which the Czechs sent to UNRRA, that UNRRA would replace in the future supplies made available by the Soviet Government. We should take the firm position that UNRRA funds are for relief and not to replace someone else's contribution to relief.

7. When and if the transportation situation changes by the opening up of other ports, we can reconsider this whole question. Likewise we, of course, reserve the right to deal directly with recognized local governments when they have been established in the non-Soviet liberated areas.

1207. DEA/2295-AT-40

Le sous-secrétaire d'État par intérim aux Affaires extérieures au directeur de l'administration, la Commission d'aide mutuelle

Acting Under-Secretary of State for External Affairs to Director of Administration, Mutual Aid Board

SECRET Ottawa, May 12, 1944

I am enclosing a copy of a letter from Mr. Pearson of the Canadian Embassy in Washington, dated May 9th, on the subject of the relationship of the Russian Protocol and possible requests of the U.S.S.R. for relief supplies under UNRRA. I should appreciate your views on this question in order that I may give a considered reply to Mr. Pearson.

My own off-hand view is that it is probably better that Russia should receive relief supplies under the Protocol than that they should be made available by UNRRA. I am inclined to doubt, however, if the reasons given in the memorandum prepared by the State Department, a copy of which is enclosed in Mr. Pearson's letter, apply in the case of Canada, and I think that it might possibly be advisable to draw the attention of the State Department to the differences in outlook which result from differences between the administration of Lend-Lease and the administration of Mutual Aid.

The reasons advanced in paragraph 2 of the State Department's memorandum appear to me to be open to the following criticisms from the Canadian standpoint:

Paragraph 2(a) refers to the possibility of payment or other benefits being required for Protocol shipments (under Lend-Lease). Does this possibility arise in the same degree under the Canadian Mutual Aid Agreement with the U.S.S.R.?

Paragraph 2(b) points out that goods sent from the United States would be paid for by the United States, whether they went by way of Lend-Lease under the Protocol or by way of UNRRA. It appears to me that this agreement would not apply in the case of Canada since Canada's physical contribution to UNRRA is likely to exceed Canada's financial contribution; so that any addition to the physical contribution would be paid for out of the free currency funds at UNRRA's disposal. If this is true, it would follow that Canada would be paid for supplies contributed to Russia by way of UNRRA but would not be paid for supplies contributed to Russia by way of Mutual Aid under the Protocol.

Paragraph 2(c) suggests that UNRRA's funds might be exhausted if supplies were moved to Russia before a demand for them developed in other countries. Insofar as this is true, it might be necessary to call for further UNRRA contributions from the contributing countries; the burden would then be apportioned in proportion to national income and not according to the country which was the source of the physical supplies. I am not clear why the latter method of apportionment should be preferred.

Paragraph 2(c) seems to be on sounder ground when it compares the relief administered by the Russians to the military relief period in Western Europe, and paragraph 3 seems to elaborate this point.

Paragraph 4 deals with relief administered by the U.S.S.R. in countries liberated by its military forces. This appears to me to be quite simply military relief in the initial period, and I can quite see that the view which the United States has adopted of the best methods of financing military relief encounters difficulties if it is transposed to Eastern Europe. The United States suggestion is that Lend-Lease supplies can be sent to Russia under the Protocol and made available by Russia to the liberated countries.

To apply similar procedure in the case of Mutual Aid might be to run counter to the basic principle of Mutual Aid as the recipient countries would think of their supplies as coming from Russian sources when they in fact came from Canadian sources. It does seem impracticable, as the memorandum suggests, to replace under Lend-Lease, or for that matter under Mutual Aid, supplies which the U.S.S.R. had previously made available to the Czechs. It might, however, be possible for the U.S.S.R. to count relief made available in this way as part of its contribution to UNRRA were it not for the fact that western countries are precluded from counting their military relief as part of their contribution to UNRRA.

The foregoing are merely off-hand opinions which are advanced tentatively, and I should appreciate your views on the whole question.

A similar letter is being sent to the Department of Finance.

H. H. WRONG

1208. DEA/2295-AT-40

Le sous-ministre des Finances au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Finance to Under-Secretary of State for External Affairs

SECRET Ottawa, May 22, 1944

Dear Mr. Robertson,

I am writing in answer to Mr. Wrong's letter of May 12th regarding the relationship of the Russian Protocol and possible requests of the U.S.S.R. for relief supplies under UNRRA. I note that it is your offhand view that it is probably better that Russia should receive supplies under the Protocol than that they should be made available under UNRRA, but that you doubt whether the reasons given by the State Department in their memorandum apply in the case of Canada.

My view—and I believe the view of the Minister of Finance—is that it would be proper for Russia to secure relief supplies from UNRRA, and that we should prefer to see relief supplies required by Russia from Canada obtained through UNRRA rather than by Mutual Aid under the Protocol. Whether the

United States would prefer to furnish supplies by Lend-Lease rather than through UNRRA is, of course, a matter for the United States itself to decide. However, it does seem to me that the arguments put forward by the State Department are not at all convincing. Certainly I do not see that we should be persuaded to follow them in the case of Canada.

I do not know of any clauses in the UNRRA agreement that would appear to bar the provision of supplies to Russia, nor am I aware of any of the resolutions of the Council which would have this effect. So far as I know, the fact that the supplies might be distributed by the Russian military authorities, rather than the civilian authorities, would not alter this situation. In fact, the resolutions on policy at the first session of the Council would appear to countenance supplies being distributed by the national authorities of the liberated areas (note resolution No.1),[16] and presumably the provision of supplies to supplement supplies being provided by the military authorities (note paragraph IV. 2(a) of resolution No.1). It is perhaps not unimportant to note that these resolutions were recommended to the Council by a Committee of which the Russian delegate was Chairman.

I note that it is apparently the policy of the United States and the United Kingdom authorities that the relief distributed by their military authorities is not being secured from, nor financed by, UNRRA. I do not see, however, that this precedent need be binding upon UNRRA or upon us in regard to other cases, including the one under consideration.

The arguments put forward by the State Department seem to me insufficient to support their view. Point No. 1 regarding shipping does not appear really to be relevant to the question of the financing of the supplies, which is the chief matter at issue. Point No.2 (a), as you point out, hardly seems to apply in respect of Canada, at least to the same degree under our Mutual Aid Agreement, as the State Department visualizes it applying in the case of the United States. I must say I am somewhat shocked to see the State Department laying such emphasis on a "final settlement" in respect of Lend-Lease goods. It is true, of course, that the determination of whether or not the Soviet Union should pay for the supplies it receives through UNRRA may be a difficult problem both for the Soviets and for UNRRA. However, it seems to me it is the sort of problem with which UNRRA must deal at some stage, and it is wholly proper that it should do so. To retreat before it at this stage would seem to me to betray a lack of courage and confidence on the part of UNRRA which would be a very alarming sign.

The point put forward in paragraph 2(a) by the State Department seems to me unwarranted, if I understand it correctly. The implication is that the United States will probably not pay its share of the total costs of UNRRA for

[16]Voir George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. volume III, New York, Columbia University Press, 1950, pp. 42-45.
See George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. Volume III, New York, Columbia University Press, 1950, pp. 42-45.

relief and rehabilitation, either because the United States will be unable or unwilling to supply goods or services to the value of 90% of its contribution, and will not be prepared to release its funds to UNRRA to be used in making payments to those countries that are prepared to supply more than their proportion. I should think this point might be put to the State Department, perhaps in a somewhat more delicate form, because I cannot believe that they have seen the implications of what they have said. Our understanding from the beginning has been that the financing of UNRRA supplies is to be separated from their physical provision. I know that the United States takes a different attitude now in regard to Lend-Lease generally, but I do not believe we should let them feel that they can force the same view upon UNRRA, that is to say, that those countries providing the supplies will provide them through their contributions to UNRRA, and that the contributions will be limited to what they can supply.

In regard to the arguments put forward in paragraph 2 (c), I think it is desirable to be clear that should 1% of the national income of the contributing countries, along with the receipts which UNRRA obtains from those countries able to pay for supplies, not suffice to meet UNRRA's costs, then a further contribution would be appropriate. I should think from our point of view it is more desirable that we follow this course than that we try to relieve UNRRA of burdens which we all expected it to assume, and which in our view it should assume.

The second last sentence in this paragraph implies that it is an established principle that UNRRA funds will not be used to supply goods to the military forces to be distributed by them. As I have noted above, this does not seem to be supported either by the UNRRA agreement or by any of the decisions of the Council. It may have been the tacit assumption or understanding of those who were present at the meeting of the Council or among those officials who have been concerned with UNRRA matters since that time. However, I should think there is a very great danger in trying to refuse the use of the facilities of this first great international post-war organization to the one great power which has a legitimate claim for its help, on the grounds of a tacit understanding among officials.

The argument put forward in paragraph 3 of the State Department's memorandum appears to be that there is nothing essentially different about relief needs that should occasion any departure from the practice being followed by the United Kingdom and other countries in the provision of civilian supplies. Surely this argument can hardly be maintained in view of the specific functions which UNRRA has been created to perform. I should say that we ought to be prepared to continue to supply to the Soviet Union the civilian supplies which we have been providing heretofore, but that the increased demands for relief purposes which result from liberation are a reasonable responsibility of UNRRA. Consequently I am unable to agree with the conclusions reached by the State Department in the second part of paragraph 3.

In regard to the point raised in paragraph 4 of the State Department's memorandum, I am likewise unable to see that UNRRA cannot logically function in this situation. It is true that this area will presumably be for some time under the control of Russian or Czechoslovakian or other European forces rather than British or American forces, but surely we cannot expect UNRRA to operate only in areas in which the latter forces are or have been operating.

Whether or not UNRRA could replace supplies which the Soviets had previously made available to the Czechs for relief purposes is primarily a legal matter, I suppose, and I would not venture an opinion as to whether UNRRA was able to do that. Under the existing circumstances, however, there would seem to be a necessity for getting supplies to the Czechs as rapidly as possible, and there might be great difficulty in having supplies go all the way from outside sources to the Czechoslovakian areas by the time they were required. Consequently it would seem quite possible that the most sensible arrangement would be to have Russia supply them immediately from her reserve stocks, if any, which would be replenished by UNRRA. The only important point that would seem to me necessary is to have it clearly understood by the recipient populations that these supplies are coming indirectly from UNRRA, and that the policies followed in the distribution of the supplies should be consistent with the purposes and principles of UNRRA.

In general, I would fear that the view of the State Department in this matter is another step in the reduction of the importance of UNRRA and its replacement by direct arrangements between the Great Powers. It seems to me that our understanding was that UNRRA was to serve broad relief purposes in liberated areas without all these fine qualifications which the United States is attempting to put on its responsibilities. I think the Canadian public would expect that if Canadian supplies were required for the relief of liberated areas of the Soviet Union, they would be furnished through the international relief organization which we established with such *éclat* last year. I should think that we ought to furnish to Russia under the Protocol only war supplies proper, and such civilian supplies as we cannot reasonably regard as relief for liberated areas.

If we follow the course of action which I am suggesting above, supplies for Russian relief secured through UNRRA will be paid for out of the general contributions made to UNRRA, and if the supplies required from Canada for this and other purposes exceed in value Canada's share of the financial contribution, then presumably the United States and other countries will be helping to finance these Canadian supplies to Russia. This, it seems to me, is exactly what we understood when we entered into the UNRRA arrangements. To avoid this by charging relief supplies directly to Mutual Aid which could be charged to UNRRA would be increasing the burden upon Canada in a manner inconsistent with our understanding on the financing of relief, or else under present circumstances might result in our being unable to furnish other supplies under Mutual Aid to countries requiring them.

I note that Mr. Pearson is inclined to agree with the State Department on this matter, but I am unable to see that he gives any argument in support of his attitude.

Yours very truly,

W. C. CLARK

P.S. There is a danger, too, that in including relief supplies in the Protocol, we should be led later to a position where the Soviet Union might expect us to include other post-war assistance on a Protocol basis. It is better to confine the Protocol to essential war aid.

1209. DEA/2295-AT-40

Mémorandum du directeur de l'administration, la Commission d'aide mutuelle, au sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Director of Administration, Mutual Aid Board, to Assistant Under-Secretary of State for External Affairs

Ottawa, May 23, 1944

RE: YOUR LETTER OF MAY 12TH REGARDING UNRRA AND THE U.S.S.R.

Based upon the premise that supplies which can be moved into the U.S.S.R. depends upon routes and shipping tonnage at the present time, may I make some observations.

On broad principles if the U.S.S.R. applies for relief through UNRRA the tonnage involved would have to replace Protocol tonnage.

For internal or political reasons the U.S.S.R. might wish to place UNRRA requirements under Protocol, replacing some military supplies. If placed under the Protocol she would receive more assurance as far as movement of supplies is concerned than if such supplies remained outside the Protocol. Other than the above we can see no special benefit to the U.S.S.R. in having UNRRA supplies included in the Protocol.

Possible benefit to Canada or the U.S.A. by having UNRRA supplies under Protocol.

If UNRRA supplies were included in the Protocol the total supplies, including UNRRA and Mutual Aid or Lend-Lease supplies, would then be limited to total North American tonnage made available to the U.S.S.R. under the Protocol and might relieve pressure by the U.S.S.R. to increase tonnage above that made available under the Protocol if it only included Mutual Aid and Lend-Lease goods.

Objections to placing UNRRA supplies under Protocol.

Possible interference with the movement of war supplies received under Lend-Lease or Mutual Aid and the danger thereby of prolonging the period of the war.

Inflexibility.

If UNRRA items are included under the Protocol without adding additional escape clauses (which would destroy the effect of a Protocol) greater need for UNRRA supplies might thereby be kept from more needy nations.

Protocol has been established for military supplies but Protocol procedure does not seem to be included in the original principles and concepts of UNRRA procedure.

With regard to paragraph 2(a) of the memorandum attached to your letter of May 12th, and the fourth paragraph of your letter of May 12th, repayment under Mutual Aid does not present the same problem as under Lend-Lease because of the variance in the wording and conditions of the Master Agreements of the two countries with the U.S.S.R. The Canadian Master Agreement with the U.S.S.R.[162] sets out those items which may be required to be returned or made available to Canada, whereas the U.S. Master Agreement with the U.S.S.R.[163] is most indefinite and leaves to some date in the future what repayment the U.S. will require.

Under paragraph 2(b) of the memorandum attached to your letter it proposes that the U.S.A. might benefit financially if UNRRA supplies were placed under Protocol.

The only way we can see that the U.S.A. might benefit by this policy would be if by such procedure the U.S.A. were thereby enabled to sell to UNRRA for payment out of the 10% pooled funds a much greater percentage than her 10% contributions to the pooled funds.

In addition to the possible financial benefit cited above, it might appear if these supplies were included in the U.S. schedule attached to the Protocol that the U.S.A. was making such supplies available to the U.S.S.R.

Paragraph 2(c). Insofar as UNRRA is concerned we agree.

Paragraph 3. Refers to only three supplying countries—should not this include all the signatories to the Agreement?

Paragraph 4. Agree.

Paragraph 5. Agree except with the possibility of moving, say medical supplies, by air transport by agreement with the U.S.S.R.

Paragraph 6. We agree with the possible exception set out under paragraph 5.

Paragraph 7. Agree.

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[162]Voir Canada, *Recueil des traités*, 1944, N° 4.
See Canada, *Treaty Series*, 1944, No. 4.

[163]Voir États-Unis, *Department of State Bulletin*, N° 6, 13 juin 1942, pp. 532-5.
See United States, *Department of State Bulletin*, No. 6, June 13, 1942, pp. 532-5.

In conclusion, it would be our recommendation that UNRRA supplies be excluded from Protocol procedure.

Yours very truly,

KARL C. FRASER

1210. DEA/2295-AT-40

Le sous-secrétaire d'État aux Affaires extérieures au ministre, l'ambassade aux États-Unis

Under-Secretary of State for External Affairs to Minister, Embassy in United States

SECRET Ottawa, May 24, 1944

Dear Mr. Pearson,

I am referring to your letter of May 9th, to the Acting Under-Secretary of State for External Affairs, on the subject of the possible request from the U.S.S.R. for relief supplies under UNRRA.

While our off-hand opinion coincided with yours in considering that the stand taken by the State Department was in the present circumstances a sound one, further consideration of this complicated problem has led us to modify our views. Our observations on the State Department's memorandum of May 5th are embodied in a memorandum, a copy of which is enclosed. It is for you to consider how far the reasoning set out in this memorandum should be communicated to the United States authorities. The memorandum has been written in a very comprehensive form in order to give you a clear indication of how the question is viewed in Ottawa.

The Canadian authorities cannot possibly object to the United States transferring supplies to the U.S.S.R. by Lend-Lease under the Protocol for purposes connected with relief and rehabilitation in the U.S.S.R. or in other countries. Our position should be that we feel that it would be a mistake to transfer Canadian supplies under Mutual Aid for these purposes and that it would be extremely unfortunate for the U.S.S.R., the United Kingdom and Canada to attempt to interfere with the interpretation which UNRRA, acting under its constitutional arrangements, may put upon its functions in relation to relief in the U.S.S.R. and in territories which it may liberate.

Yours sincerely,

N. A. ROBERTSON

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Memorandum by Special Wartime Assistant to Under-Secretary of State for External Affairs

Ottawa, May 24, 1944

MEMORANDUM ON RELIEF FOR THE SOVIET UNION AND EASTERN EUROPEAN COUNTRIES

1. The question raised by the State Department's memorandum of May 5th is whether relief supplies for Russia and countries liberated by Russia should be made available; (a) under the Protocol, (b) through UNRRA, or (c) partly under the Protocol and partly through UNRRA. The State Department argues that at the present time relief supplies should not be made available through UNRRA.

2. The problem has three aspects; (a) physical, (b) financial and (c) political. Of these the political appears overwhelmingly the most important.

3. As regards the physical aspect the State Department's argument is:

Supplies to Russia are limited by shipping and cannot be increased so that if supplies were sent by UNRRA they would reduce the quantities that could be shipped under the Protocol. The liberated countries can be approached only through the U.S.S.R. and the State Department does not want to displace Protocol supplies by relief supplies for the benefit of these countries.

The most that this contention amounts to is that it is indifferent from the physical point of view whether the supplies are sent under the Protocol or through UNRRA, or partly in one way and partly in the other. Russia and the liberated countries will get the same quantity in any event, no more and no less.

4. As regards the financial aspect, the State Department points out that it has not been decided whether the U.S.S.R. would be considered a paying country by UNRRA. Assuming that it would not be so considered, the U.S.S.R. might avoid what the State Department calls "a final settlement" whereas for goods supplied under the Protocol "there would always be the possibility of payment or other benefits being required."

As no settlement of this character is likely to be required in return for Canada's Mutual Aid, it comes as something of a shock to learn that the State Department considers that as regards Lend-Lease the issue is still open in such a wide measure that the relatively small difference in the total amount of Lend-Lease to Russia, which the relief supplies would constitute, might make an appreciable difference to "the final settlement."

The State Department contends that all goods originating in the United States are paid for by the United States and that it, therefore, does not matter to the United States whether they go through UNRRA or through Lend-Lease. This argument is not valid for Canada since UNRRA supplies would be paid for after our contribution to UNRRA had been exhausted. It is only valid

for the United States if that country has decided not to release free funds to UNRRA in excess of the minimum of 10%.

The Canadian Department of Finance "cannot believe that the State Department has seen the implications of what it has said." It appears to us to be contrary to the whole spirit of the UNRRA Agreement that a country in the position of the United States should limit its contribution of free funds to UNRRA to the 10% suggested as a minimum. Adherence to this view by the United States would mean in substance that Canada could not expect to furnish physical supplies to UNRRA much in excess of the 9/10 of Canada's own contribution, which is given in the form of a credit for UNRRA supplies. It will be of interest to the Canadian Government to ascertain, in a tactful manner, what the United States view is on this point. Any attempt to apply to UNRRA the doctrine that the supplying country should bear the whole cost of the supplies which it furnishes, would appear to the Canadian authorities most unfortunate and at variance to the whole plan for relief and rehabilitation.

The State Department further contends that UNRRA should use its funds only to supply goods which cannot otherwise be supplied. The effect of this contention would obviously be to increase the relief burden on Britain and Canada in comparison with the burden on the other UNRRA countries. The alternative would be a further assessment of all UNRRA countries when the original 1% of the national income is exhausted. The Canadian authorities would be interested in knowing if this alternative is something which the United States is particularly anxious to avoid facing at the present time.

5. The political considerations are not quite the same when relief for Russian territory is under consideration as they are when the relief of Czechoslovakia and Poland are concerned. The State Department suggests that UNRRA should be notified that all relief supplies for the liberated areas of the U.S.S.R. would be made available during the present phase of the war under the Protocol. If there is a necessity for continuing relief supplies after the termination of hostilities, when Lend-Lease aid may not be available, the problem can be considered in all its aspects.

In our view there is a great danger in refusing the use of the facilities of UNRRA, the first great international post-war organization, to the one great power that has a legitimate claim for its help. The resolutions on policy adopted at the first session of the UNRRA Council appear to contemplate supplies being distributed by the national authorities of the liberated areas, and presumably the provision of supplies to supplement what may be provided by the military authorities. (see resolution No. 1 and particularly paragraph IV. 2(a) of that resolution.) These resolutions were recommended to the Council by a Committee on which the Russian delegate was Chairman.

6. As regards the countries which may be liberated by Russian arms the State Department would not agree to replace under Lend-Lease supplies which the Soviets had made available to countries liberated by them.

The view of the State Department is that UNRRA should not operate in areas liberated by Russia while such areas are under the control and

supervision of the Soviet military. UNRRA should take over only after recognized local governments are functioning.

The State Department objects to UNRRA replacing in the future supplies made available by the U.S.S.R. now—"we should take the firm position that UNRRA funds are for relief and not to replace someone else's contribution to relief."

In our view it is important that relief should reach the Czechs and Poles as expeditiously as possible and that the U.S.S.R. should not have as an excuse for withholding relief from either of these countries the argument that the western countries objected to supplying it through UNRRA. It also appears to us important that both Czechs and Poles should know that they are receiving the relief from an international organization of the United Nations and not exclusively as charity from the U.S.S.R.

7. In general, the State Department's memorandum lends itself to the interpretation that another step is contemplated which would reduce the importance of UNRRA and replace it by direct arrangements among the great powers. The Canadian public would expect Canadian supplies required for the relief of liberated areas in the Soviet Union, in Czechoslovakia and in Poland to be furnished through the relief organization of which they have heard so much. It is, therefore, our view that the Protocol should be confined to war supplies together with such civilian supplies as cannot reasonably be regarded as relief for the liberated areas. To include relief and rehabilitation supplies under the Protocol might well lead the Soviet Union to expect post-war assistance through similar channels. We do not, of course, wish to carry our view to the extreme of insisting that civilian supplies furnished to Russia should never be diverted for the purposes of military relief in Russia itself or in liberated territories. What we do suggest is that it would be a mistake to include specific items in the Protocol for this purpose.

1211. DEA/2295-AT-40

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Under-Secretary of State for External Affairs

Washington, June 8, 1944

Dear Mr. Robertson,

Referring to your letter of May 24th on the subject of a possible request from the U.S.S.R. for relief supplies under UNRRA, I am enclosing herewith a copy of a communication which I sent to Mr. Taft of the State Department dated June 5th dealing with this matter together with the attached memorandum, based in part on the memorandum enclosed with your letter. Our letter

and memorandum were discussed with Mr. Angus before transmission to the State Department.

Yours sincerely,

L. B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Le ministre, l'ambassade aux États-Unis, au département d'État des États-Unis

Minister, Embassy in United States, to Department of State in United States

Washington, June 5, 1944

Dear Mr. Taft,

Some time ago you were good enough to hand me, for the consideration of the Canadian authorities, a memorandum on the subject of a possible request from the U.S.S.R. for relief supplies under UNRRA. I forwarded this memorandum to Ottawa and have received their observations concerning it.

Their first reaction was that, for administrative and shipping convenience, and possibly for other reasons, there was much to be said in favour of sending all supplies to Russia in present circumstances under the Protocol. Further consideration, however, seemed to indicate that there would be complications involved in the adoption of such a procedure. It would, for instance, not be easy to tell the Russians that no relief supplies would be available to them under UNRRA without adopting the same attitude in respect of China and other Far Eastern territories which may be liberated. It might well be argued that if the U.S.S.R. is eligible for relief under the UNRRA Agreement it would be entitled to receive that relief from UNRRA even at the expense of supplies under the Protocol. The Canadian authorities feel that it would be unfortunate if the U.S.A., United Kingdom and Canada attempted to interfere with any interpretation that UNRRA, acting under its constitutional arrangements might put upon its functions in relation to relief to the U.S.S.R. and to territories liberated by the U.S.S.R.

If, and when, the U.S.S.R. specifically request relief supplies from UNRRA the whole question of the advisability of sending such supplies or maintaining exclusive Protocol arrangements might be discussed with the Soviet authorities.

The Canadian authorities, in short, have some doubts as to the wisdom of all the conclusions reached in your memorandum dealing with this subject. Their doubts are set out in the attached memorandum which I would be glad to discuss with you at any time.

Yours sincerely,

L. B. PEARSON

[ANNEXE À LA PIÈCE JOINTE/SUB-ENCLOSURE]

Mémorandum de l'ambassade aux États-Unis

Memorandum by Embassy in United States

COMMENTS ON STATE DEPARTMENT'S MEMORANDUM OF MAY 5,1944, ENTITLED "RELIEF FOR THE SOVIET UNION AND EASTERN EUROPEAN COUNTRIES"

1. The question raised by the State Department's memorandum of May 5th, hereafter referred to as the memorandum, is whether relief supplies for Russia and countries liberated by Russia should be made available; (a) under the Protocol, (b) through UNRRA, or (c) partly under the Protocol and partly through UNRRA.

2. The memorandum is of the opinion that at the present time all such relief supplies should be made available under the Protocol exclusively and that UNRRA should be notified accordingly.

3. The problem has three aspects: (a) physical, (b) financial and (c) political. Of these the political appears to be the most important.

4. As regards the physical aspect, the view expressed in the memorandum appears to be:

Supplies for Russia are limited by shipping and cannot at present be increased. Therefore, if supplies were sent by UNRRA, they would reduce the quantities that could be shipped under the Protocol. Likewise Eastern European countries liberated by the Russian armies can be approached only through the U.S.S.R. For them, therefore, the same conditions exist. The memorandum argues against displacing Protocol supplies by UNRRA supplies for the benefit of Russia and those liberated countries.

5. It appears to the Canadian authorities, however, that the present shipping situation does not necessarily constitute an argument either for or against sending relief supplies, in whole, or in part, through UNRRA. It is a matter of indifference from the physical point of view. As long as conditions remain as at present, Russia and the liberated countries will get the same quantity of supplies in any event; no more and no less.

6. As regards the financial aspect, the memorandum (para. 2a) points out that it has not been decided whether the USSR is to be considered a paying or non-paying country by UNRRA. Assuming the latter, the USSR might avoid "a final settlement" for UNRRA goods whereas for goods supplied under the Protocol "there would always be the possibility of payment or other benefits being required."

The Canadian authorities desire to point out that no settlement of this character, for goods supplied by Canadian Mutual Aid under the Protocol, is likely to be required by Canada.

7. The memorandum (para. 2b) states that all relief goods originating in the United States are paid for by the United States and that, therefore, it does not matter to the United States whether such goods go through UNRRA or

through Lend-Lease. This argument is not valid for Canada. If supplies from Canada were required by UNRRA after Canada's relief contribution had been exhausted, such supplies would be paid for by UNRRA out of the free funds supplied by other Member Nations of UNRRA and conceivably, therefore, out of free funds supplied by the United States. It is not entirely clear why the USA is not in the same position or why *all* UNRRA goods from the United States should be paid for by the United States. Even if the United States does not plan to release free funds to UNRRA in excess of the 10% minimum (and the Canadian authorities of course do not know whether this supposition is correct) is it not possible for UNRRA to spend in the United States free exchange contributed by other countries?

8. In general, the Canadian authorities would not favour the doctrine that the supplying country must necessarily bear the whole cost of the supplies which it furnished.

9. The memorandum (para. 2c) further states that UNRRA should use its funds only to supply goods which cannot otherwise be supplied. The effect of such a principle would obviously be to increase the relief burden on some UNRRA countries in comparison with the burden on the other UNRRA countries. The alternative to such a principle, which the Canadian Government considers more equitable, would be a further assessment of all UNRRA countries when the original 1% of the national income is exhausted.

10. In so far as political considerations are concerned, these are not quite the same when relief for Russian territory is under consideration as they are when the relief of Czechoslovakia and Poland are concerned. The memorandum suggests that UNRRA should be notified that all relief supplies for the liberated areas of the U.S.S.R. would be made available, during the present phase of the war, under the Protocol; that if there is a necessity for continuing relief supplies after the termination of hostilities, when Lend-Lease aid may not be available, the problem can then be reconsidered in all its aspects.

In the Canadian view there is danger in refusing and especially in taking the initiative in refusing the use of the facilities of UNRRA, the first great international post-war organization, to the one great power that has a legitimate claim for its help.

11. The resolutions on policy adopted at the first session of the UNRRA Council appear to contemplate supplies being distributed by the national authorities of the liberated areas, and presumably the provision of supplies to supplement what may be provided by the military authorities. (See resolution No. 1 and particularly paragraph IV. 2(a) of that resolution.) These resolutions were recommended to the Council by a Committee on which the Russian delegate was Chairman.

There is, of course, no question of encouraging the USSR to use the UNRRA relief channel. It is merely a question of the wisdom of telling them that this channel is closed. The Canadian authorities have serious doubts on this score.

12. As regards the countries which may be liberated by Russian arms, the State Department doubts whether it would be possible to agree to replace, under Lend-Lease, supplies which the Soviets had made available to countries liberated by them. This, of course, is for the United States to decide. It is, however, quite a different matter to oppose, as the memorandum does in paragraph 6(b), any proposal that UNRRA might replace in the future supplies made available by the Soviet government for use in territory liberated by the Soviet army. "We should take the firm position" says the memorandum, "that UNRRA funds are for relief and not to replace someone else's contribution to relief."

13. The Canadian authorities would not go so far as this. The Canadian view is that it should be open to UNRRA to decide whether it can make an agreement with the Soviet authorities to replace relief supplies distributed by the Soviet military forces in liberated territory. The USSR is not expected to be a supplier contributor to UNRRA; its own resources in this field are so seriously diminished that it needs help itself. It is hard to believe therefore that the Soviet army would distribute relief supplies in Czech or Polish territory except as an interim and emergency measure. Is it wise, therefore, to lay down the principle that UNRRA shall not make any arrangements with the Soviet military authorities in any circumstances to replace such relief supplies?

It is recognized that there are dangers to avoid in arrangements of this kind, but would it not be better to consider each situation on its merits?

14. Linked to the above, is the argument in the memorandum (para. 2c) approving "UNRRA's principle of not using its funds to supply goods to military forces to be distributed by them." Such a principle would apply to countries being liberated by the Soviet army as well as to Soviet territory. The Canadian authorities are not aware, however, of any UNRRA "principle" which would prevent relief goods from being distributed by UNRRA and the military in co-operation during the period of military control. Resolution 1 (particularly section IV.2) contemplates, indeed it seems to encourage, the making of arrangements between UNRRA and the military for UNRRA help during the period of military control. The fact that the Allied Command on the western front does not desire such help need not be a bar to the making of arrangements between UNRRA and the Soviet military. Of course, if the Soviet military did not desire UNRRA intervention during the period of military control, or desired it on conditions inacceptable to UNRRA, it would follow that no UNRRA aid or intervention would be forthcoming during this period. In that event, it would be open to the Soviet Government to seek relief aid in some other way, i.e., by the Protocol method, and the United States, United Kingdom and Canada would deal with such a request on its merits.

15. In the Canadian view the main thing is to get necessary relief to Russians, Poles and Czechs as expeditiously as possible, and preferably through a United Nations agency, i.e. UNRRA. The alternative would be that Poles and Czechs would look on Russia as the only country which had provided for their relief even though the Russians might have obtained their relief supplies under the Protocol.

16. The Canadian public would prefer that Canadian supplies required for the relief of liberated areas in the Soviet Union, in Czechoslovakia and in Poland, should be furnished through the relief organization of which they have heard so much. The Canadian authorities therefore would be reluctant to use the Protocol, i.e., Mutual Aid funds, to furnish such relief supplies. It is the Canadian view that the Protocol should be confined to war supplies together with such civilian supplies as cannot reasonably be regarded as relief for liberated areas. Canada does not, of course, wish to carry its view to the extreme of insisting that civilian supplies furnished to Russia under the Protocol should never be diverted for the purposes of military relief in Russia itself or in liberated territories. It is felt, however, that it would be a mistake to include specific items in the Protocol for this purpose, if these items could be supplied under the UNRRA arrangements.

Whether that can, in fact, be done is primarily a matter to be determined by the USSR and the UNRRA.

1212. DEA/2295-AT-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-4027 Washington, July 5, 1944

IMMEDIATE. My letter July 4th to Mr. Robertson† regarding Soviet Relief requirements.

Mitchell of the State Department told me today that they are not disposed to press this issue as they appreciated the difficulties, some of which were emphasized in your letter of May 24th. They had instructed their Ambassador in Moscow to tell the Soviet Government that they assumed that the Soviet High Command would accept responsibility for relief in Soviet and foreign liberated territories during the period of military occupation, but that they would welcome from the Soviet an indication of the nature and quantity of supplies which would be required so that they would be in a better position to help later. They would also indicate to the Soviet Government that if the latter wished UNRRA to act for them, even during the military relief period, this would be very satisfactory to the United States. They thought that the British would take the same line. Ends.

1213. DEA/2295-AT-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6514 Washington, November 17, 1944

IMMEDIATE. Following for N. A. Robertson from Pearson, Begins: I wrote you on July 4th† and again on October 18th† concerning policy toward the problem of relief supplies for the U.S.S.R. and for territories liberated by the U.S.S.R. As anticipated in one of the United Kingdom Embassy's telegrams† enclosed with my letter of October 18th it is now likely that the United Kingdom members will shortly present a paper to the Combined Liberated Areas Committee on this problem. Prior to the preparation of this paper they would appreciate our views in the hope that, if possible, the paper might represent our views as well as those of the United Kingdom. The United Kingdom members will discuss the paper with the United States members as well before presenting it formally. We are most anxious therefore to have your views as soon as possible. Ends.

1214. DEA/2295-AT-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4714 Ottawa, November 25, 1944

IMMEDIATE. Your WA-6514 of November 17, relief supplies for U.S.S.R. and territories liberated by the U.S.S.R.

In regard to this problem, with its tangle of financial, physical and political considerations, we think it perhaps helpful to put forward, as much for your comment as your guidance, what we regard to be desirable objectives:

(1) During the period of European hostilities with the Soviet resources totally engaged in war, we consider that the distinction between relief and war needs of the U.S.S.R. itself need not be made; that both should be regarded as war requirements and treated on a protocol basis;

(2) Relief needs during the period of military occupation of territories liberated by the U.S.S.R. should likewise be regarded as military needs of the U.S.S.R. and treated on a protocol basis. This involves a willingness to leave with the Soviet authorities the responsibility for determining when military occupation ends but we are not, however, precluded from discussing the point on its merits with the Soviet;

(3) When the U.S.S.R. is no longer a belligerent, which may be the case following the cessation of European hostilities, then the relief requirements of

the U.S.S.R. should be treated by UNRRA as UNRRA treats the relief requirements of other ex-belligerents. The procedures to be followed are a matter for agreement by the Executive Committee of UNRRA. As a Committee member, we would hold the view that the UNRRA procedures which apply generally to applicants for relief should apply also to the U.S.S.R.;

(4) After the cessation of European hostilities, or the cessation of the period of military occupation, the relief requirements of the territories liberated by the U.S.S.R. should be treated by UNRRA as it treats the requirements of other liberated territories;

(5) Adoption of such a policy does not remove the difficulty of dealing with the U.S.S.R. It does, however, leave military matters to the protocol countries and clear-cut relief matters to UNRRA. We are not disposed to support any move to influence Governor Lehman by concerted U.S., U.K. and Canadian pressure. If the U.S. feels that Lehman may make imprudent commitments they should deal with the problem as a member of UNRRA in the Council or Executive Committee. We consider that Lehman is not answerable directly to the United States, the United Kingdom and Canada, nor to C.L.A.C., but to his own organization. It is our duty as well as our safeguard against U.S.S.R. criticism to keep UNRRA an independent organization beyond the influence of the U.S., U.K. and Canada except as that influence may legitimately and openly be brought to bear in the organization's own forums. Ends.

1215. DEA/2295-AT-40

Le ministre, l'ambassade aux États-Unis, à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Special Wartime Assistant to Under-Secretary of State for External Affairs

Washington, November 28, 1944

Dear Mr. Angus,

We are glad to have your teletype EX-4714 of Nov. 25th on the complex question of relief supplies for the U.S.S.R. and for territories liberated by the U.S.S.R.

As we interpret your statement, your view, with respect to UNRRA's function, is that relief needs of territories liberated by the U.S.S.R. would become an UNRRA responsibility only after the end of the period of military occupation or after the cessation of European hostilities and that the relief needs of the U.S.S.R. itself would become UNRRA's responsibility only after the U.S.S.R. is no longer a belligerent. (In the case of both the liberated territories and the U.S.S.R. the assumption of relief responsibility by UNRRA would be dependent, of course, upon satisfactory agreement between UNRRA and the authorities concerned.)

This view would seem to be the reverse of the earlier Canadian view expressed in the enclosure which accompanied Mr. Robertson's letter of May 24th. You will recall that we discussed this memorandum when you were in

Washington on June 6th and that I provided a copy of the memorandum to the State Department official concerned. At the same time we sent a copy of the memorandum to the U.K. Embassy for their information. In the light of the apparent change in the Canadian position we are deferring any statement of even our tentative view to the State Department or U.K. Embassy until you confirm that the views expressed in your teletype (in which you remark that your statement is made as much for our comment as our guidance) are recognized as diverging from earlier statements on this subject and can be regarded as sufficiently firm to provide a basis for our participation in the preparation of a U.S., U.K., Canadian paper.

In this connection I might quote an extract from a letter which the interested official in the U.K. Embassy has written recently (November 24) to the Foreign Office:

"Since October 3rd we have heard nothing from the Americans on this subject. Meanwhile, we gave a detailed summary of the whole situation to the Canadian Embassy on October 13th and they have promised to extract an expression of the Canadian view from Ottawa. We are reluctant to pursue the matter further with the Americans until we have reached an agreement with the Canadians.

You will recall that, whereas Law and Acheson suggested to the Russians at Montreal that they might do well to present their relief requirements outside the framework of UNRRA, the pre-Montreal view of the Canadians was precisely the opposite.

However, my hope is that it will be possible for the Canadians and ourselves to agree a paper which could then be presented at CLAC."

It would be helpful to us in our discussions if you could give us some background information on the apparent transition in the Canadian view on this subject. We realize that the original statement was not so much concerned with indicating what UNRRA *should* do as it was with indicating what UNRRA *is "legally" empowered* to do under the Atlantic City resolutions. It occurs to us that the apparent change in your view may have resulted from a recognition of UNRRA's inability in practice to undertake certain responsibilities which are within its "legal" competence. If this is the explanation, I presume that you would still assert UNRRA's right to offer to provide relief during the military period under paragraph IV, 2a of Atlantic City Resolution No. 1, while at the same time expressing your view that in the present circumstances such relief might better be provided through the Protocol arrangement (with the U.S.S.R. determining the proportion of relief supplies to war materials within the limit of available supplies, and transport).

Apart from the general query concerning the apparent change in view we have no specific comments on your teletype pending discussion with the U.S. and U.K. It would appear, however, that the views expressed in your teletype are fairly close to the general view which the U.S. and U.K. have been inclined to support, as indicated in the U.K. Embassy memorandum and telegrams† which we have sent to you.

I note that you refer in paragraph no. 3 to possible expression of view by Canada "as a Committee member." I take it that you are referring to the Central Committee of UNRRA. As you know, Canada is not a member of that Committee. We do participate on occasions in its work but only when subjects of specific concern to Canada are under consideration or through our chairmanship on the Committee on Supplies. In either capacity, however, we would in practice be given an opportunity to express the Canadian view when and if this subject is referred to the Central Committee.

Finally, I should say that I am not interpreting the final paragraph of your teletype as indicating that you are averse to having this subject discussed in CLAC. I take it that you are concerned lest CLAC (or any other Combined Committee or agency) should exert pressure on UNRRA to gain acceptance for the collective view of the U.S., U.K. and Canada. Clearly it is most desirable that we should not be party to any "pressure group" which might attempt to determine UNRRA's policy outside the UNRRA Committees or Council. At the same time it is apparent that this subject will be further explored by the U.S. and U.K. in Washington with the intention of arriving at an agreed view, and it would probably be undesirable from all points of view for us (as one of the supplying countries under the Protocol) to refrain from participating in such exploratory discussions. Combined discussion does not necessarily mean combined pressure. In this particular case I should think that combined discussion might well produce an agreed view which, by defining the division of responsibility, would lessen the likelihood of improper pressure being exerted on UNRRA. Whether these discussions take place in CLAC or elsewhere seems to me immaterial, although my impression is that this Committee probably provides a satisfactory forum for such discussions.

As you will gather from the excerpt quoted above we are under considerable pressure from the U.K. Embassy for a statement of Canada's view which can be regarded as sufficiently firm to provide a basis for our participation in a joint discussion. Could you therefore let us have your reply to this letter as soon as possible? As I have indicated, we shall not discuss this subject with the U.S. or U.K. representatives until we hear from you again.

Yours sincerely,

L. B. PEARSON

1216. DEA/2295-AT-40

Le sous-secrétaire d'État aux Affaires extérieures au ministre, l'ambassade aux États-Unis

Under-Secretary of State for External Affairs to Minister, Embassy in United States

Ottawa, December 2, 1944

Dear Mr. Pearson,

I refer to your letter to Mr. Angus of November 28 on relief supplies for the U.S.S.R. and for territories liberated by the U.S.S.R.

I don't consider our teletype EX-4714 of November 25th essentially inconsistent with my letter of May 24th and enclosure, if allowance is made first for the clarification in the responsibilities of the military authorities and UNRRA which has been made in the six months since the letter was written and secondly for the change in our conception of what are relief goods which has resulted from the clarification of responsibilities.

Of necessity, the protocols will contain supplies susceptible of being used either for relief or the maintenance of a productive war effort. It is hoped that with the help of protocol supplies the U.S.S.R. will be able to maintain its own population and provide military relief for the areas she liberates. But no item should be described in the protocols as for relief in such a way as to suggest a claim by the donors to ask an accounting of the Russians if the supplies are put to one use rather than the other.

If this position differs from "the pre-Montreal Canadian view" it still does not go as far as the suggestion of Law and Acheson, mentioned in your letter. When the relief needs of the U.S.S.R. emerge clearly as being for relief and not for maintenance of the war effort, they cease to be an appropriate matter for protocol supplies. UNRRA will then have a function to perform in the Soviet on the Soviet's request. Prior to the end of hostilities, protocol supplies will no doubt suffice and the U.S.S.R. is not likely to call on UNRRA for supplies as this would raise the issue of payment. If hostilities end, doubtless the protocol will end and the U.S.S.R. will have to apply to UNRRA for any relief supplies which may be needed. Presumably the U.S.S.R. will hesitate to ask to be classed as non- or part-paying and no problem arises until she does.

As to the liberated areas, no protocol supplies should be ear-marked for Poland or Czechoslovakia though protocol supplies may be used for military relief there. It seems likely that the Soviet will have an incentive to shorten the military period so as to free supplies in the then current protocol from the drain of military relief. UNRRA's duties then arise. The U.S.S.R. might be willing to surrender shipping space to UNRRA since she will prefer to give up shipping space only rather than both space and supplies. The opening of Odessa would of course ease even the shipping.

As to UNRRA's treatment of Poland and Czechoslovakia, assuming them to be non-paying, we assert now as always our belief that UNRRA should adopt an independent attitude and be free from outside pressures. We confirm your view as to the acceptability of combined discussion which you describe as "exploratory." As you put it, "Combined discussion does not necessarily mean combined pressure." Nevertheless, as you may have observed, "not necessarily," like "necessity," has a tendency to know no master. We would add therefore that we feel combined discussion should not develop in the direction of combined or individual pressure.

Your sincerely,

H. H. WRONG
for the Under-Secretary of State
for External Affairs

1217. DEA/2295-AT-40

Le conseiller, l'ambassade aux États-Unis, au sous-secrétaire d'État associé aux Affaires extérieures

Counsellor, Embassy in United States, to Associate Under Secretary of State for External Affairs

SECRET Washington, December 29, 1944

Dear Mr. Wrong,

Although nothing definite has emerged from any of the recent discussions here concerning relief supplies for the U.S.S.R. and for territories liberated by the U.S.S.R., I am writing this note to keep you informed on developments. Shortly after we received your letter of December 2nd relating to teletype EX-4714 of Nov. 25th we learned from the U.K. Embassy that they had received a message from London indicating that Sir Archibald Clark Kerr, the U.K. Ambassador to Moscow, was expected in London shortly, and the message instructed the U.K. Embassy in Washington to refrain from pressing for further discussion of this subject until later instructions could be provided in the light of discussions with Sir Archibald in London. The further instructions have not yet been received.

Yesterday we were told by the U.K. Embassy that Mr. Wyndham White, the secretary principally concerned with this subject (as well as with other relief matters), was leaving for London today, and we were asked to provide him with some indication of the Canadian view. We saw a representative of the British Embassy yesterday afternoon and indicated to him that the Canadian view was developing along the lines of paragraphs numbers 1, 2, 3 and 4 of your teletype EX-4714. He made no particular comments but indicated that Mr. Wyndham White would inform London that the Canadian view was "developing" along these lines. I might add that the discussion of this subject will probably be affected by the fact that UNRRA has already approached the Combined Boards with requests for allocations for Poland and Czechoslovakia and is expected to ship some 8000 tons of supplies (presumably by way of Murmansk) in January.[164] The UNRRA mission which was organized for the purpose of supervising or assisting in the distribution of such UNRRA supplies in areas liberated by the U.S.S.R. have not yet been granted visas by the Soviet Government which apparently is continuing to ignore their applications for

[164]La note suivante était dans l'original:
The following footnote was in the original:

Unfortunately some doubt has been cast on U.N.R.R.A.'s ability to hold these allocations of shipping space and supplies and to make deliveries, by a statement made by Governor Lehman this afternoon: "The headquarters office of UNRRA in Washington has just completed arrangements with the Combined Shipping Adjustment Board for the assignment of a moderate amount of shipping space to carry relief supplies for Poland and Czechoslovakia—contingent upon assurances that these supplies will be accepted in ports of the U.S.S.R. and given internal transport by U.S.S.R. facilities. *These assurances have not yet been received, but it is hoped they will be forthcoming shortly.*" A copy of Governor Lehman's full statement† is attached.

visas. The U.K. representative pointed out in this connection that the Foreign Office telegram, RELIEF NO. 20 of Sept. 24, (a copy of which we sent to Mr. Robertson with our letter of October 18th†) had stated the U.K. Government's view as follows:

"Despatch of a supervising mission raises a general question of UNRRA policy which is not special to this case. Such supervision in degrees appropriate to different countries which will be subsidised by UNRRA is obviously most desirable to avoid waste and to prevent discrimination and may be indispensably required by American public opinion. The right of UNRRA to insist on it as a condition of sending supplies is not however established by any of the Atlantic City resolutions. Russia for obvious reasons would dispute any such claim and if it came to an issue their view might be supported by other allies. If therefore they refuse to admit a mission on military grounds we feel that it would be unwise for UNRRA to refuse supplies on account of this unless general support is assured."

Mr. Gregg, who has been appointed head of the Mission, regards his function as related more closely to assistance in the distribution of supplies than to supervision over such distribution.

I might add, finally, that the U.K. Government has apparently expressed its opposition to Governor Lehman's reported intention of making a formal agreement with the Lublin Committee of National Liberation.[165] Apparently the U.K. Government considers that this Mission could be received and could assist in the distribution of supplies without any formal agreement between UNRRA and the Lublin Committee.

Yours sincerely,

M. M. MAHONEY

1218. DEA/2295-AT-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-4098 Washington, August 3, 1945

CONFIDENTIAL. Further information concerning the request which the U.S.S.R. has filed with UNRRA for supplies to the value of $700,000,000 has now become available.

This information would indicate the following general breakdown of the $700,000,000 total:

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[165]Ce comité fut reconnu par l'Union soviétique comme étant le gouvernement provisoire de la Pologne.
This Committee was recognized by the Soviet Union as the provisional government of Poland.

Food	$430,000,000
Manufactured consumer goods and raw materials	$123,000,000
Medical instruments, apparatus and medicaments	$ 13,000,000
Equipment	$ 97,000,000
Agricultural machinery and tractors	$ 10,000,000
Metals, cables and wires and chemicals	$ 26,000,000

It has been indicated by the Acting Council Member of UNRRA for the U.S.S.R. that these values are F.A.S.[166] and do not include shipping and related charges which might require something like an additional $150,000,000.

In submitting their request the Russians have made it clear that they desire to have these supplies delivered during a one year period and on a free-of-charge basis. In justifying their request they argue that all the supplies listed are indispensable for meeting the most important needs of the population of devastated areas in the U.S.S.R., and that in fact the total supplies requested would meet only to a small extent the immediate needs of those areas which have been liberated from the enemy. They have requested urgent consideration and full compliance with their request on the basis of "the great losses incurred by the Soviet Union in this war as well as its exceptional part in the war against Germany and her satellites."

Preliminary discussion among representatives of UNRRA, the State Department, the United Kingdom Embassy, this Embassy and representatives of the Combined Boards would indicate that at least some of the following preliminaries would have to be completed before action could reasonably be taken on the program:

1. The Committee established under UNRRA Resolution 23[167] to determine the ability of countries to pay for supplies requested will have to examine the financial resources available to Russia and decide whether supplies could appropriately be provided on a free-of-charge basis.

2. The Intergovernmental and National Supply authorities will require more detailed specifications for the items indicated.

3. Information may be required concerning the end uses for the various supplies if a fair comparison is to be made with requests received from other claimants.

4. It would be desirable to receive some fairly detailed indication of the extent to which comparable or identical (e.g. textile equipment, etc.) supplies are to be received by Russia from the western zones of Germany under the Potsdam arrangements.

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[166] Free Alongside Ship.

[167] Voir George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. volume III, New York, Columbia University Press, 1950, p. 67. See George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. Volume III, New York, Columbia University Press, 1950, p. 67.

5. Similarly it would be desirable to have an indication of the disposal of eastern European surpluses (e.g. possibly foodstuffs comparable with those included in the present Russian request).

6. Arrangements for allowing an UNRRA Mission to observe the distribution of these supplies would presumably have to be initiated at some stage.

In my immediately following teletype† I am reporting a more detailed statement of the items included in the Russian request. This statement as you will observe is expressed in a mixture of values, weights, and units which will have to be amplified considerably before the statement will appear completely intelligible. This statement has been provided to UNRRA formally by the Acting Council Member of UNRRA for the U.S.S.R. I am not certain that the itemized statement includes everything represented by the $700,000,000 total or by the general breakdown given above. For instance it is considered by the Supply authorities here that the 850,000 tons of foodstuffs itemized in this statement would hardly be valued at the $430,000,000 total indicated for food above. It is understood that Sergeev, Deputy Commissar for Foreign Trade and Council Member of UNRRA for the U.S.S.R. will have more detailed information with him at the London Council meeting.

I am reporting this information to you by teletype in case you may wish to transmit it to the Canadian delegation at the UNRRA Council meeting with your preliminary comments. I shall send you by tomorrow's bag copies of the available documents,† which have been summarized in these two teletypes. Ends.

1219. DEA/2295-AT-40

Mémorandum du chef, la direction économique, au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Head, Economic Division, to Under-Secretary of State for External Affairs

Ottawa, August 6, 1945

U.S.S.R. REQUEST FOR ASSISTANCE FROM UNRRA

Attached are two teletypes[168] giving details of the U.S.S.R. request for supplies from UNRRA. The total amount is $700,000,000, more than half of which is for scarce foods; no wheat is included.

I have referred copies of the teletypes to the following Departments for information:

Department of Finance
Dept. of Trade and Commerce
Canadian Mutual Aid Board
Dept. of Agriculture
Dept. of Munitions and Supply

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[168] Télétype WA-4098, le document précédent, et télétype WA-4099, non reproduit.
Teletype WA-4098, the previous document, and WA-4099, not printed.

Wartime Prices and Trade Board
Bank of Canada.

I do not know that any other action is necessary at the present time. My recollection of Mr. Angus' views was that if the U.S.S.R. fulfilled the conditions required for UNRRA help, including satisfying the Committee established under Resolution 23 to determine ability to pay, UNRRA could not refuse to assist; the scale of assistance would have to conform to bases of requirements.

Please advise if you think that some instructions should be transmitted to Messrs. Pearson and Angus in London on this question.[169]

S. D. PIERCE

1220. DEA/2295-Q-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2251 London, August 9, 1945

Following from Pearson, Begins: UNRRA Council meeting. It is quite clear now that the main business of the meeting will be the request for a further contribution to enable UNRRA to complete its work, and whether the U.S.S.R. request for seven hundred million dollars relief supplies can be met. The Russians are bringing strong pressure on us to make some kind of statement at an appropriate moment supporting, in principle, their claim to help from UNRRA on the ground that, though they may have sufficient resources in foreign exchange for the supplies requested, nevertheless their relief and rehabilitation problem arising out of the war is so enormous that they are entitled to some help from UNRRA, especially as UNRRA may be extending this to Italy and possibly to Austria. Have you any views on this Russian request or the line we should take regarding it? My own feeling is that this is primarily a matter to be settled by the United Kingdom, United States and U.S.S.R. and that we should remain as aloof as possible, though it might be desirable to express, on some appropriate occasion, general sympathy with Russia's needs and relief requirements. There is no doubt that the Russians expect from us what they call "a friendly understanding of their position."

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[169]Les notes suivantes étaient écrites sur ce mémorandum:
The following notes were written on the memorandum:
Mr. Pierce
I think we can wait and see what are preliminary results of U.S.-U.K. consideration of this request. R[OBERTSON]
I agree—And you might pass to Mr. Malania,[170] so that he can prepare a despatch for the information of the Embassy in Moscow. H. W[RONG]

[170]De la deuxième direction politique.
Of Second Political Division.

Considerations likely to affect the views of the United States and United Kingdom are:

(a) If the Russian claim to receive supplies from UNRRA without payment is met without requiring the Russians to undergo the same financial examination as other claimants have been required to undergo, or is met in spite of Russia having means of payment, which in the case of any other country would be a disqualification, there is a possibility of a parallel claim being made by other countries which are at present paying for their supplies.

(b) If the Russian claim is met in full, or in large part, one of two consequences will follow. Claims which have been regarded as the minimum claims of other recipients will have to be reduced or the funds which UNRRA will require will exceed the one per cent contribution contemplated in the draft recommendation under consideration by the United States and United Kingdom. Ends.

1221. DEA/2295-Q-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2419 London, August 23, 1945

Following for Robertson from Pearson, Begins:

1. UNRRA discussions have been very lengthy and very sticky due to obstructive tactics of Soviet Delegation and their friends in the hope, obviously, that such tactics might force a sympathetic consideration of their request for 700 million dollars worth of supplies.

2. First, they held up Resolutions on Italy and Austria and Displaced Persons and when these were passed, argued that it would be undesirable to proceed with Financial Resolution until they could get some assurance regarding the 700 million. Position now is that a draft Financial Resolution has been agreed on, after long discussions between United States, United Kingdom and ourselves, which provides for another one per cent contribution to UNRRA and, to please the Russians, includes the following paragraph:

"That in carrying out the programmes of operations of the Director General, as approved from time to time by the Central Committee of the Council, supplies shall be equitably distributed on the basis of the principles laid down in the Resolutions of the Council and in particular in Resolutions 7 and 56."[171]

[171]Voir George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*, volume III, New York, Columbia University Press, 1950, pp. 47-48, 134.
See George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*, Volume III, New York, Columbia University Press, 1950, pp. 47-48, 134.

This Resolution was taken up with the Russians yesterday by our three Delegations and Clayton[172] informed them, also, that if they supported it he would recommend to his Government favourable consideration for a claim, which might be submitted by the Ukrainian and Byelo Russian Republics, for a relief programme not to exceed 250 million dollars. Noel-Baker and I supported this. Russians are taking it up with Moscow and we expect an answer by tomorrow. We will go ahead with Financial Resolution in any event and try to wind up UNRRA Friday night. It is more likely, however, that we will not complete our work until Saturday.

3. Discussions have been long and exhausting for us because we have been used a great deal by Russians as mediator between them and United States and United Kingdom Delegations. Incidentally, the Russians are holding up a decision in the Council on the Resolution of the Committee on Procedure making Canada a member of the Central Committee in the hope that this will influence our attitude toward their other proposals. I have let them know, however, that they have no bargaining power here because we would not object if Central Committee were left unchanged. Ends.

1222. DEA/2295-AT-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 2307 Washington, September 26, 1945

Sir,

I have the honour to enclose herewith a communication from the Secretary of the UNRRA Sub-committee under Resolution No. 23 which was appointed by me as Chairman of the Committee on Supplies to consider applications from the Byelorussian and Ukraine Soviet Republics for free relief supplies. The background of this matter is, I think, known to you and I do not need to go into it in this despatch. These applications replace one previously made by the USSR for relief supplies from UNRRA up to the value of 700 million dollars.

The Sub-committee in question consisted of members from the U.S., U.K., Norway, France and Canada and met Monday last under the chairmanship of Mr. Harold Glasser of the U.S. Treasury. Other members were Mr. R. H. Brand (U.K.), Mr. Valensi (France), Mr. Colbjornsen (Norway), and myself. Representatives from the two Soviet Socialist Republics produced memoranda which gave voluminous details regarding the destruction inflicted on those republics by the enemy but had practically nothing to say about their ability or inability to pay for UNRRA supplies. Questioning by members of the sub-committee, and more particularly by Mr. Brand, produced little information

[172] Secrétaire d'État adjoint des États-Unis.
Assistant Secretary of State of United States.

beyond the obvious fact that the two Republics had no resources in foreign exchange. They had none because under the Soviet constitution they needed none.

The attached draft report to the Director General of UNRRA on this matter has been agreed to by the 5 members of the Sub-committee and will be incorporated in the minutes of the meeting.

I have etc.

L. B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Le président, le sous-comité établi par résolution No. 23 d'UNRRA, à l'ambassadeur aux États-Unis

Chairman, Sub-committee Under Resolution No. 23 of UNRRA, to Ambassador in United States

Washington, September 26, 1945

My dear Mr. Ambassador,

Attached are the drafts of two recommendations of the Subcommittee Under Resolution No. 23 dealing with the ability to pay of the Byelorussian and Ukrainian Soviet Socialist Republics.[173] Their wording is identical except for the amount of their requirements which differ.

These drafts have been prepared by the Chairman and the Secretariat of the Subcommittee in accordance with the procedure agreed upon at the meeting yesterday, and are now being circulated among the Chairman and other members of the Subcommittee so that each member can telephone his comments either to me or Mr. Varley at Decatur 7300, extension 355. If the drafts are agreeable to the members of the sub-committee they will be incorporated in the minutes of the meeting.

Attached also are copies of the two memoranda submitted by the representatives' of the Byelorussian and Ukrainian Soviet Socialist Republics concerning the question of their respective ability to pay which they prepared for the use of the Subcommittee. In accordance with the procedures established for the operation of the Subcommittees Under Resolution No. 23, these copies are being sent to you for your personal use only as a member of this Subcommittee.

Sincerely yours,

DAVID WEINTRAUB

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[173]Le projet de recommendation au sujet de la République socialiste soviétique de l'Ukraine ne fut pas trouvé.
The draft recommendation concerning the Ukrainian Soviet Socialist Republic was not located.

[ANNEXE À LA PIÈCE JOINTE/SUB-ENCLOSURE]

Projet de recommandations du sous-comité établi par résolution No. 23 d'UNRRA

Draft Recommendations by Sub-Committee Under Resolution No. 23 of UNRRA

Washington, September 25, 1945

The members of the Subcommittee unanimously agreed that the Byelorussian Soviet Socialist Republic should be considered at this time unable to pay, and adopted a recommendation which reads as follows:

"1. The Subcommittee appointed under Resolution No. 23 had before it the request by the government of the Byelorussian Soviet Socialist Republic dated 15 September 1945, for relief and rehabilitation supplies and services in the amount of $61,000,000. The Subcommittee has been requested by the Director General to advise him with respect to the ability of the Byelorussian Soviet Socialist Republic to pay in foreign exchange for such supplies in accordance with Resolution 14, Section 17. The Subcommittee understood that this request, together with the request from the government of the Ukrainian Soviet Socialist Republic supersedes the one in the amount of $700,000,000 previously made by the Union of Soviet Socialist Republics.

2. Information supplied to the Subcommittee by the representatives of the Byelorussian Soviet Social [*sic*] Republic indicated that in accordance with the constitutional provisions of the Union of Soviet Socialist Republics, this constituent republic has no foreign exchange assets of its own, such assets being entirely in the hands of the government of the Union of Soviet Socialist Republics. Nevertheless, in view of the great destruction in the Byelorussian Soviet Socialist Republic the Subcommittee recommends that the Government of the Byelorussian Soviet Socialist Republic be considered at this time not to be in a position to pay with suitable means of foreign exchange for relief and rehabilitation supplies and services which the Director General will make available to the Government of the Byelorussian Soviet Socialist Republic in accordance with resolutions and policies of the Council and within the limits imposed by UNRRA'S resources."

SECTION D

CONVENTIONS SANITAIRES
SANITARY CONVENTIONS

1223. DEA/2295-Y-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

DESPATCH 1254 Ottawa, August 31, 1944

Sir,

I have the honour to refer to a letter dated July 15th from the Director General of UNRRA to Mr. L. B. Pearson,† then Chargé d'Affaires ad interim at the Canadian Embassy in Washington. This letter transmitted a note from the Director General to the Secretary of State for External Affairs† also dated July 15th enclosing for the consideration of the Canadian Government two draft Agreements† which had been prepared by Committees of the Council of the United Nations Relief and Rehabilitation Administration as a first step toward carrying out the recommendation of the Council set forth in paragraph 2 of Resolution 8 of its First Session.[174] The two Agreements were entitled respectively "Emergency International Sanitary Aerial Agreement" and "Emergency International Sanitary Maritime Agreement."

The draft Agreements have been considered by the Canadian Department of Pensions and National Health in consultation with the Department of Transport and with the Departments of National Defence for Air and Naval Services. The discussion of the Agreements has not resulted in any technical questions being raised which need be brought to the attention of the Director General of UNRRA prior to the meeting in Montreal on September 15th.

From the correspondence it appears probable that Canada will be asked to become a signatory of the two Agreements at the time of the Second Session of the Council or shortly thereafter. No objection has been raised to Canadian signature of the Agreement concerning Maritime Measures which was drafted by a Committee at which the Senior Medical Officer in England of the Department of Pensions and National Health, Dr. Howard B. Jeffs, was present.

The Agreement concerning Aerial Measures presents greater difficulty. Canada has never been a signatory to the International Sanitary Convention

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[174]Voir George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration.* volume III, New York, Columbia University Press, 1950, pp. 48-49.
See George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration.* Volume III, New York, Columbia University Press, 1950, pp. 48-49.

for Aerial Navigation because it was felt that Canada should not undertake obligations concerning standards of aerodrome construction, equipment and control until Canadian air services were more fully organized. The present Canadian Quarantine Regulations provide full authority for the control of aerial navigation in Canada and give reasonable protection.

While it would not be appropriate for Canada at the present stage to question in any way the authority conferred on the Committees of UNRRA by Resolution No. 8, paragraph 2, it was perhaps not in contemplation at that time that the Committee should proceed as an emergency measure to draft an agreement applicable to North and South America as well as to Europe, Africa and Asia. An agreement in these wide terms hardly seems to be incidental to the relief and rehabilitation activities which are the primary purpose of UNRRA.

However this may be, Canada will have to say "yes" or "no" to the proposed agreement in the course of the next few weeks. It would be appreciated if you can make enquiries in Washington and advise us as to the extent to which the proposed agreement is likely to be supported by the United States and by other countries in this hemisphere.

In the meantime we are referring the Agreement concerning Aerial Measures back to the Departments which have already considered it, with a request that if they are still of the opinion that it is not acceptable as an emergency measure they should indicate how closely the present Canadian Regulations, in practice, conform to those required by the Agreement.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1224. DEA/2295-Y-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4213 Ottawa, October 17, 1944

Following for Pearson, Begins: With reference to draft sanitary conventions which were considered at the Second Session of UNRRA at Montreal, we have now received advice from the Department of Pensions and National Health that the officers of that Department "have examined the draft conventions and find no necessity for making alterations."

They feel, however, that this matter is important and Dr. C. P. Brown[175] is available to attend all sessions of committees at which consideration is given to

[175] Directeur, la direction de la santé publique, le ministère des Pensions et de la Santé nationale.
Director, Public Health Division, Department of Pensions and National Health.

the Convention, particularly as regards International Quarantine proposals. Ends.

1225. DEA/5475-K-40

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Associate Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

Ottawa, November 17, 1944

The attached telegram, Circular D.1684 of November 15th, has been sent to me without any distribution having been made. It raises some difficult questions about international organization in the field of health and also touches on issues of general policy towards the United Kingdom and France and on the future of League technical bodies. The scheme proposed by the United Kingdom does not seem objectionable to me but I do not like their request in para. 5 for "an assurance that the foregoing proposals meet with the approval of Dominion Governments." This seems to be asking rather a lot.

We could answer perhaps merely by saying that we do not object to these proposals being put forward by the United Kingdom Government but are not prepared to give any assurance that they carry our approval. Before doing even this, however, I think that some consideration should be given to the substance of the proposals which involves a knowledge which I do not possess of the various bodies and conventions which are mentioned. It does not seem to me that any Government can be expected to accept a fairly detailed outline of policy in an important technical aspect of international relations on a basis such as this.

I am sending the original telegram and file to Mr. Angus since it is an UNRRA matter which started the business. I am sending copies of the telegram and of this note to Messrs. Renaud, Rive and Holmes. Would Mr. Angus consider what interdepartmental distribution should be made as well as the questions of policy involved? Mr. Renaud may be able to elucidate the position respecting the international bodies and conventions mentioned in it, and Mr. Rive might comment particularly in the light of his considerable experience in League health matters. Mr. Holmes might meditate on how the U.K. proposal would fit into the Dumbarton Oaks plan. Next week, perhaps, we might put together the results at a Departmental meeting and frame a reply.

H. W[RONG]

[PIÈCE JOINTE/ENCLOSURE]

DEA/2295-Y-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1684 London, November 15, 1944

SECRET. As you will be aware, it was agreed at the Montreal Conference that there should be a special meeting of the UNRRA Health Committee to prepare final drafts of the two Sanitary Conventions drawn up under the auspices of UNRRA. This meeting is now to be held at Washington December 5th.

2. Before the outbreak of war, administration of International Health Conventions and Agreements was controlled by the International Office of Public Hygiene in Paris. Now that Paris has been freed, the French authorities are anxious that the future of this office shall not be prejudiced, and in commenting on the draft Sanitary Conventions they have objected to the substitution for the Paris office of another organisation. In view of the forthcoming meeting of the UNRRA Health Committee, it is important that an understanding should be reached with the French which will induce them to sign the Agreements in their present form, accepting the administration of the Sanitary Conventions by UNRRA as a temporary arrangement. But it is clear that there is no prospect of securing French agreement to this unless some assurance is given about the future of the Paris office.

3. For this and other reasons, we have been considering what form of permanent International Health Organisation we should like to see established, and following proposals have been formulated as our long term aim for the creation of an International Health Organisation:

(a) An International Health Commission which would be associated with a constituent body of the proposed Economic and Social Council of World Organisation. The Commission would be responsible for determining the scope of other international health bodies and preventing overlap between them. It would also be responsible for promoting international research for the collection and dissemination of technical information and for advisory services. Its Secretariat might be in Washington, but no decision on this point should be taken until the location of other international bodies contemplated under the Dumbarton Oaks proposals has been considered.

(b) The continuance of the Paris office as an Epidemiological Bureau responsible for the administration of International Health Agreements, including the Sanitary Conventions and the collection and the dissemination of epidemiological information.

(c) The creation of a new Standards Bureau preferably in London.

(d) The continuance, if desired, of the Pan American Sanitary Bureau, an endeavour being made to bring the conventions administered by the Bureau into harmony with those administered by the Paris office.

(e) The discontinuance as such of the Health Section of the League, its records, equipment and staff being transferred to the new organisation provided suitable arrangements can be made.

(f) Membership of the Commission and its associated Bureaux would be confined to expert members of the public health services of the countries participating in the organisation, but this would not prevent the employment of other expert advisers.

(g) The method of financing the Commission and its associated Bureaux would require further examination. It could be based either on single contributions from the participating countries to the Commission or perhaps to the Economic and Social Council, or on separate contributions to each Bureau.

4. In the light of this long term policy, we should like to approach the French Government as soon as possible and, in any case, in advance of the meeting of the UNRRA Health Committee on December 5th indicating:

(a) That the proposal that UNRRA should administer the Sanitary Conventions was first mooted in good faith before Paris had been freed, that it is now most difficult to alter these temporary arrangements which have been agreed to in principle by the United Nations, and that it is in any case doubtful whether the conventions could conveniently be administered as yet in Paris, where communications are still difficult, or by the Paris office which has been disorganised by war and has been out of touch with the world for four years.

(b) That we are, nevertheless, anxious to safeguard the future position of the Paris office and that this is, in fact, in the new draft Sanitary Convention.

(c) That, in order to make the position plain, we should be prepared if the French Government would support the temporary administration of the conventions by UNRRA to promise our support for the retention of the Paris office to administer Sanitary Conventions, though we could not, of course, give absolute guarantees as to the precise position which the office would hold in the permanent international set up.

(d) That we should also be prepared to support a suggestion that the International Conference which will be required to create the permanent International Health Organisation should be held in Paris.

(e) That, if agreement on the above lines is reached, we should be glad to resume at once the payment of our contribution to the Paris office in order to enable it to rebuild its organisation.

(f) That we should also be prepared to resume sending to the Paris office epidemiological information in our possession.

5. Before making an approach on the above lines to the French Government, we should welcome an assurance that foregoing proposals meet with the approval of Dominion Governments.

6. We are inquiring through His Majesty's United Kingdom Ambassador, Washington, whether United States Government will be prepared to take a line with French Government similar to that which we propose in paragraph 4 above.

1226. DEA/5475-K-40

Mémorandum du sous-secrétaire d'État associé aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Associate Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

Ottawa, November 24, 1944

I sent you a note on November 17th concerning British proposals for international health organization which have to be taken up immediately because temporary UNRRA sanitary conventions will be prepared at a meeting of the UNRRA Health Committee beginning on December 5th. The French have lodged objections because of their fears for the future of the International Office of Public Hygiene in Paris.

The question was considered yesterday at a meeting attended by Messrs. Angus, Read, Renaud and myself of this Department and Dr. Davidson of National Health and Welfare. We decided that the British proposals were in general sensible. Renaud has prepared a long memorandum† on the various conventions and bodies which would be affected by them. Davidson wished to check with Chisholm before an answer went out and promised to let Angus know today.

I think we can answer London without consulting Ministers. Angus' reply to the Dominions Office[176] will be found hereunder for your concurrence and also a teletype to Pearson.† If you agree, will you return the papers to Angus for despatch when he hears from Davidson?

Dr. Brown is our representative on the Health Committee of UNRRA and is quite unfamiliar with the international questions involved in this issue. It was agreed in the meeting that he should be accompanied during its discussion by someone from the Embassy in Washington, perhaps Ritchie. Angus is preparing a despatch conveying the requisite information as indicated in his teletype to Pearson.

H. W[RONG]

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[176]Voir le document 1228.
See Document 1228.

1227. DEA/5475-K-40

Le ministre de la Santé nationale et du Bien-être social au sous-secrétaire d'État associé aux Affaires extérieures

Minister of National Health and Welfare to Associate Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, November 24, 1944

Dear Mr. Wrong,

In reply to your confidential letter of 20th November,† and following meeting held 23rd November which was attended by Dr. Geo. Davidson of this Department, with respect to international health organization in immediate relationship to work to be undertaken by UNRRA, our attitudes are as follows:

1. Sanitary conventions conducted by UNRRA may be accepted as a temporary expedient.

2. The formation of a permanent international health organization is essential.

3. The international health organization should be responsible for the collection and dissemination of epidemiological and technical information and for the provision of technical advisory services.

4. It is not considered advantageous to continue the Office internationale d'hygiène publique at Paris for the collection and dissemination of epidemiological information including the responsibility for conducting sanitary conventions, as this may well prove to be a duplication of the work of the international health organization leading to differences of opinion and confusion.

5. It is the opinion that all matters relating to public health should be the responsibility of one internationally constituted body.

6. It is suggested that the Department of Biological Standards for the National Institute for Medical Research of the Medical Research Council, Hampstead, London, England, should continue to act as custodian and for the purpose of distribution of biological standards until such time as this question has been determined by international agreement.

7. The continuance of the Pan-American Sanitary Bureau would be advantageous to Canada. Its activity should be confined to health matters relating to the Americas and should function in collaboration with the international health organization.

8. It is not agreed that records, equipment and staff should be automatically transferred to the new health organization. Before a decision is reached in regard thereto, the question should be thoroughly discussed.

9. Membership of the commission should be confined to members of the Public Health Services provided that expert advisers may be engaged when needed but that such expert advisers shall not have administrative responsibility.

10. The method of financing may be determined by agreement of signatory countries.

11. There would be no advantage in administering conventions through the International Paris Office. The Health Organization of UNRRA might administer pending the creation of an international commission.

12. In view of the fact that the duties and responsibilities of the Office internationale d'hygiène publique have materially changed since its creation and its value to Canada is not established, it is not thought that special provision should be made to safeguard the existence of such office.

13. In view of the fact that the Office international d'hygiène publique has been of so little use to Canada particularly since the creation of the Health Section of the League of Nations, it would not appear that the Dominion should make any commitments respecting the retention of the Office internationale.

14. It is suggested that the international conference required to create the permanent international health organization should be held in Switzerland rather than in France.

15. It is not recommended that the payment of our contribution to the Office internationale should be resumed.

16. It is suggested that epidemiological information in our possession should be provided UNRRA rather than the Office internationale d'hygiène publique.

Yours sincerely,

BROOKE CLAXTON

1228. DEA/2295-Y-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 226 Ottawa, November 25, 1944

SECRET. Your circular D. 1684 of November 15th. The Canadian Government concurs in the view that it is important that the Sanitary Conventions prepared by UNRRA should be adopted as a temporary arrangement and considers that the suggestions contained in your telegram should prove useful as a basis for discussion with the French. As regards the permanent International Organization, it is not clear to us that there is any reason for placing its secretariat in Washington. In general, we have no objection to make in connection with the proposal which the United Kingdom is prepared to advance. It is, however, the view of the technical authorities here that the separation of the administration of the Sanitary Conventions from other international health activities does not make for efficiency. There have, in the past, been many criticisms of the work done in Paris and it is felt that in any post-war re-organization attention should be given to securing more effective and more expeditious action there. The immediate problem is to secure the signature of the temporary Conventions requisite for the maintenance of health

in Europe during the next eighteen months. Our view is that in doing this as few commitments as possible should be made regarding the Permanent International Health arrangements.

1229. DEA/2295-Y-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

DESPATCH 1688 Ottawa, November 27, 1944

Sir,

I have the honour to refer to my recent teletype, concerning the draft Sanitary Conventions which are to be considered by the Technical Committee on Health of UNRRA early in December, and to the proposals of the United Kingdom concerning a permanent International Health Organization. In my teletype a request was made that a member of the Embassy staff should attend the meeting of the Committee in order to be able to report on the broad questions of policy which may arise there.

2. It appears to me that the immediate problem is to secure the adoption of the Sanitary Conventions which will safeguard public health in Europe during the period immediately following the end of the war. The two Conventions which have been drafted by the Committee of UNRRA are designed for this purpose and, so far as the immediate problem is concerned, there seems to me to be no practicable alternative to their adoption. This then should be the primary purpose of Canadian attendance at the Technical Committee.

3. The question raised in the Dominions Office Circular telegram D. 1684 of November 15th is whether, in order to secure the adoption of the draft Conventions, it may not be necessary to give certain assurances to the French representatives concerning the permanent International Health Organization which should be set up after the war. The result of this telegram has been to force consideration at very short notice of a problem which has very wide implications. It is hoped that it will not be necessary to give consideration to the details of this larger problem at the present time but it may be helpful that you should have before you the views of the Canadian Department of Health and Welfare which have been set out in a letter from the Minister to Mr. Wrong, dated November 24th. A copy of this letter is enclosed. I also enclose copies of two memoranda on the general history of health organization, prepared by Mr. Renaud of this Department.†

4. It may well be that it is impossible to secure the assent of the French to the draft Sanitary Conventions without giving some such assurance as that set out in Circular D. 1684 and the Government of the United Kingdom has been informed that in a general way the Canadian authorities have no objection to such an assurance being given. It would, however, be preferable if the adoption of the Conventions could be secured without paying this price for it.

5. In the meantime I should appreciate an expression of your views on the subject and any information which you can give concerning the attitude of other Governments towards the Sanitary Conventions and the problem of permanent organization. It is understood that the source of the difficulty lies in the unwillingness of the U.S.S.R. representatives to acquiesce in any continuance of the existing Conventions as a basis for the operations of UNRRA.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1230. DEA/2295-Y-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 2779 Washington, December 11, 1944

Sir,

With reference to your despatch No. 1688 of November 27th, 1944, concerning the draft Sanitary Conventions prepared by UNRRA, I have the honour to submit the following notes on the meetings of the standing Technical Committee on Health, which were held in Washington to discuss these drafts.

2. The first meeting was held on December 5th and was attended by Dr. Brown as official Canadian representative. Mr. P. A. Beaulieu[177] also attended the meetings in accordance with your suggestion that a member of the Embassy be present in order to report on questions of policy.

3. After the usual routine matters, comments, received from a certain number of governments on the draft conventions, were brought to the attention of the meetings. Copies of these documents were forwarded to you on December 4th.[†] It was suggested by the Chairman of the Committee that it might be advisable to refer the modifications to a special committee for discussion and report. Professor Lebedenko explained that his suggestion was prompted by the fact that only a few governments would be directly concerned in these modifications. The meeting agreed to the suggestion, and a sub-committee was appointed. The governments which had made suggestions for modifications were invited to attend the meeting of the sub-committee.

4. The French representative then put forward a proposition for a resolution dealing with the relations of UNRRA and the Office international d'hygiène. A copy of the resolution[†] is attached herewith. As you will note, this document was very carefully worded and it implied more or less a recognition of the

[177] Deuxième secrétaire, l'ambassade aux États-Unis.
Second Secretary, Embassy in United States.

Office international d'hygiène as the main international agency on health. However, this proposition was discussed and amendments were suggested mainly by the British and the Netherlands representatives. Finally, the Chairman stated that, as a question of principle was involved, he was of the opinion that the Committee was not competent to discuss it, and suggested that the matter be referred to the sub-committee already appointed. This suggestion was agreed upon by the meeting.

5. Dr. Brown attended the meeting of the sub-committee which was held on December 5th at twelve o'clock. He informed me that the meeting went over the various submissions, and, as far as Canada is concerned, everything seemed to be solved satisfactorily. With respect to the French resolution, which is divided into two parts, he reported that the first part, all the "Whereas," will be included as a note in the minutes of the meeting, and the second part, dealing with liaison between UNRRA and the Office internationale d'hygiène, was treated as a technical part which will be included in the other technical submissions to the main committee. He added that everyone seemed to be satisfied with the conclusion reached.

6. Another general meeting of the Standing Committee was held on Saturday afternoon, December 9th, which was attended by Mr. Beaulieu. The sub-committee appointed to prepare final drafts of the Sanitary Conventions reported to the meeting. The sub-committee, after considering the amendments submitted by the various governments, accepted the revisions of the drafts and recommended that the Draft International Sanitary Convention 1944, as modified, and the Draft International Sanitary Convention for Aerial Navigation, as modified, be approved. The meeting unanimously agreed.

7. The sub-committee also reported on the resolution submitted by the French Delegation. A revised resolution was proposed to the Committee, copies of which are enclosed. This text is only an understanding that UNRRA may secure information from the Office internationale d'hygiène if such a step might prove to be useful, but does not in any way place UNRRA before a fait accompli and leaves the future of the Office internationale d'hygiène open for post-war arrangements. The French Delegation declared that this document was acceptable to their government.

8. The Chairman of the Committee stated that it is hoped that the Conventions on Health would be open for signature by the 15th of December, and that all the nations represented would sign them. It was also stated that there will be a meeting of the Central Committee of UNRRA on Monday the 11th to consider the question of making arrangements for some government to be depository for the Conventions. It is expected that the United States will be recommended in view of the central location of Washington.

I have etc.

L. B. PEARSON
for the Ambassador

1231. DEA/2295-Y-40

Procès-verbal d'une réunion du Comité du Conseil privé

Minute of a Meeting of Committee of Privy Council

P.C. 276 Ottawa, January 16, 1945

The Committee of the Privy Council have had before them a report dated 13th January, 1945, from the Secretary of State for External Affairs,† stating that through the instrumentality of the United Nations Relief and Rehabilitation Administration, an International Sanitary Convention, and an International Sanitary Convention for Aerial Navigation, have been negotiated to the end that effective safeguards will be provided against the spread of disease during the period of relief and rehabilitation in countries which have been invaded by the enemy;

That the Conventions, copies of which are annexed,† are open for signature by the Government concerned until January 15, 1945; and

That it is expedient that Lester Bowles Pearson, Ambassador Designate to the United States of America, be authorized to sign the Conventions on behalf of the Government of Canada.

The Committee, therefore, on the recommendation of the Secretary of State for External Affairs, concurred in by the Minister of Transport and the Minister of National Health and Welfare, advise that the two annexed Conventions be hereby approved and that Lester Bowles Pearson be authorized to sign the Conventions on behalf of the Government of Canada with the representatives thereunto empowered by the other Governments concerned.[178]

A. D. P. HEENEY
Clerk of the Privy Council

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[178]Les conventions furent signées le 18 janvier 1945. Voir Canada, *Recueil des traités*, 1944, N^{os} 32 et 33.

The Conventions were signed on January 18, 1945. See Canada, *Treaty series*, 1944, Nos. 32 and 33.

SECTION E

RÉUNION DU CONSEIL, LONDRES
COUNCIL MEETING, LONDON

1232. DEA/2295-AR-40

L'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Special Wartime Assistant to Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

Ottawa, May 19, 1945

Dear Mr. Robertson,

Mr. Read has asked me to refer to you the question raised in WA-2643 of May 18th,† a copy of which I enclose. Apparently the United States wishes to propose France for membership on the Central Committee of UNRRA and the United Kingdom proposes to reply that it is willing to support this proposal but only if the United States will support the United Kingdom proposal that Canada should also be a member of the Central Committee. Personally I think that we should agree to this proposal. If France were added to the membership of the Committee there would be three members who are contributing nothing to the cost of UNRRA's supplies and these three would constitute a majority. Canada's standing in UNRRA is very high at the present time and I think that our membership in the Central Committee would be generally welcomed. I am not in a position to judge of the view which Russia would take of either proposal. I also enclose a copy of WA-2644[179] concerning the possible postponement of the Council meeting because of the difficulty over Polish representation.

Yours sincerely,

H. F. ANGUS

1233. DEA/2295-AR-40

Le sous-secrétaire d'État aux Affaires extérieures à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Under-Secretary of State for External Affairs to Special Wartime Assistant to Under-Secretary of State for External Affairs

San Francisco, May 24, 1945

Dear Mr. Angus,

I have received your letter of May 19th with the two teletypes from Washington† on UNRRA matters. I think that the United Kingdom suggestion

[179] Non trouvé.
Not located.

that if France is appointed to the Central Committee, Canada should also become a member, is a good one. Among other things, it would maintain the balance between the producers and receivers of relief.[180]

In so far as the question of postponing the UNRRA Council Meeting is concerned, I think that this should be done, if the Polish question has not been satisfactorily resolved in time to hold the meeting on July 16th; and if the postponement would not in fact interfere with the actual work which UNRRA is now doing and which should become increasingly important in the forthcoming weeks. Certainly, until the Polish question is cleared up, the London Polish Government should not be forced out of UNRRA and replaced by representatives of the Provisional Government.

Pearson is sending a copy of this letter direct to Washington.

Yours sincerely,

N. A. ROBERTSON

1234. DEA/2295-Q-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

DESPATCH 1162 Ottawa, July 19, 1945

Sir,

I have the honour to inform you that the Canadian delegation to UNRRA will consist of:

Chairman—L. B. Pearson, O.B.E., Canadian Ambassador to the United States;

Major-General the Hon. L. R. LaFlèche, D.S.O., Canadian Ambassador designate to Greece;

H. F. Angus, Chief of the Economic Division, Department of External Affairs;

Lieut.-Colonel A. Murray McCrimmon, Mutual Aid Board Administration.

In addition it would be helpful if one of the Canadian officials in London can be made available—perhaps as adviser to the delegation rather than as a delegate—in order that there may be someone in London during the next year who is familiar with Canada's relationship to UNRRA. Perhaps, in view of his experience in supply matters, Mr. Bower[181] might be a suitable choice. Perhaps,

[180] Voir aussi le document 1194.
See also Document 1194.

[181] Délégué commercial en Grande-Bretagne.
Trade Commissioner in Great Britain.

in view of the information available in London as to the character of the various delegations, you may wish to suggest a second adviser as well.[182]

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1235. DEA/2295-Q-40

Le haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2209 London, August 4, 1945

We attended a Commonwealth meeting yesterday at the Foreign Office to discuss the forthcoming UNRRA Conference, presided over, in the absence of Noel-Baker, who had not then taken up his duties, by Sir George Rendell.[183] Nothing of particular interest to us arose at the meeting, except a reference to the fact that the item on the agenda nominating France for membership on the Central Committee had been withdrawn by the United States so that it could be amended to read "France and Canada."

2. The United Kingdom people showed me afterwards the list of nominations they had agreed on with the United States for membership on the Steering Committee and the other Committees of the Conference. They felt that they could not put us forward for the Steering Committee in view of the fact that we have been a member of that Committee twice before. This time they think that South Africa should be represented on it. Of course, on strictly functional grounds, we should not be asked to withdraw from this Comittee and, no doubt, if we insisted, we could be included, but I assume that you will have no very strong views on this point and that we should make no efforts to get the slate changed, especially as our election to the Central Committee would, I think, automatically put us on the Steering Committee. With this in view, I asked Marris yesterday to see that the item regarding election of France and Canada to the Central Committee be put at the top of the agenda.

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[182] Seulement un conseiller fut désigné.
Only one adviser was designated.

[183] Sous-secrétaire d'État par intérim aux Affaires étrangères de Grande-Bretagne; représentant de Grande-Bretagne sur le Comité européen d'UNRRA.
Acting Under-Secretary of State for Foreign Affairs of Great Britain; Representative of Great Britain on European Committee of UNRRA.

1236. DEA/2295-Q-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2234 London, August 8, 1945

Following from Pearson, Begins: At the UNNRA Council meeting this morning and after a great deal of jockeying behind the scenes, Sir Girja Bajpai was elected Chairman. The Czechoslovak representative was elected member of the Committee on Policy and the Polish member Chairman of the Committee on Procedure. It will be recalled that at Montreal the Chairman of the Council was also Chairman of the Committee on Policy. Bajpai's election was due to the unwillingness of the leader of the United Kingdom delegation to act as Chairman of the Council, though the USSR and the USA would have preferred this. Contrary to arrangements reported to you earlier, Canada was elected a member of the General or Steering Committee and to Vice-Chairmanship of the Committee on Policy. It looks as if we will also be elected to Chairmanship of the Central Committee tomorrow or the next day.[184] It promises to be an important Council sesssion and a busy one for the Canadian delegation, as we have already been engaged in a good many informal conversations with the United States and the United Kingdom on matters that are likely to come up. Ends.

1237. DEA/2295-Q-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2259 London, August 9, 1945

Following from Pearson, Begins: My telegram No. 2234 of August 8th, UNRRA. "Chairmanship of the Central Committee" should, of course, have read "membership on the Central Committee."

Would our election to the Central Committee not provide a good opportunity for withdrawing from the Chairmanship of the Supplies Committee? Among other things, this might mean that Australia would be elected in Canada's place, which would remove an irritation which their delegation to the Council now feel, in view of the fact that they have not been given much in the way of recognition at this Council session. Ends.

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[184]Voir le document suivant.
See following document.

1238. DEA/2295-Q-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 1836 Ottawa, August 10, 1945

Your telegram No. 2259. Following for Pearson from Robertson, Begins: I agree that our election to the Central Committee provides an excellent opportunity for withdrawing from the Chairmanship of the Supplies Committee and feel that it would be entirely appropriate if Australia were elected in Canada's place. Ends.

1239. DEA/2295-Q-40

Le haut commissaire par intérim en Grande-Bretagne au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in Great Britain to Secretary of State for External Affairs

TELEGRAM 2317 London, August 14, 1945

On Monday, the Committee on Policy unanimously recommended that Canada and France should be made members of the Central Committee, and there can be no doubt that this recommendation will be ratified by the Council. At the same time, it was agreed that the Australian proposal, that three further members should be added to the Committee, would be discussed at an early date. Should this proposal be adopted, membership would probably be accorded to Australia, Brazil and some receiving country in Europe acceptable to the U.S.S.R. It is assumed that such an arrangement would be acceptable to the Canadian Government.

1240. DEA/2295-Q-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire par intérim en Grande-Bretagne

Secretary of State for External Affairs to Acting High Commissioner in Great Britain

TELEGRAM 1874 Ottawa, August 16, 1945

Your telegram No. 2317 of August 14th. Reconstruction of Central Committee of UNRRA forecast in your telegram will, if it eventuates, be quite acceptable to the Canadian Government.[185]

1241. DEA/2295-Q-40

Le président, la délégation à la troisième session du Conseil d'UNRRA, au sous-secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the Third Session of Council of UNRRA, to Under-Secretary of State for External Affairs

London, August 25, 1945

Dear Mr. Robertson,

The Third Session of the UNRRA Council terminated with the meeting of August 23rd and the Canadian delegation is now in a position to advise you of what has been accomplished.

Very early in the proceedings it was decided, against the wishes of the USSR, Poland, Czechoslovakia and Yugoslavia, that displaced persons who were unlikely to return to their country of origin might receive relief from UNRRA, whether or not the Governments concerned approved of this course. It was recognised that UNRRA could not continue to give relief indefinitely and that eventually the displaced persons who were unwilling to return to their former homes would have to be looked after by the Committee on Refugees. However, UNRRA has a free hand until the next session of the Council.

It was also decided on the initiative of the United States and the United Kingdom that Italy and Austria could be included within the areas in which UNRRA may act. No date was set for the assumption of responsibility by UNRRA in these areas. The United States representative informed the Session that military relief would terminate at the end of August but that the United States had made available $100,000,000 from Lend Lease funds which should

[185]La proposition australienne pour l'addition de trois autres membres au Conseil central n'a pas été acceptée à cette réunion du Conseil d'UNRRA. Voir J. W. Holmes, *The Shaping of Peace: Canada and the Search for World Order, 1943-1957*, volume 1, Toronto, University of Toronto Press, 1979, pp. 43-44.

The Australian proposal for the addition of three further members to the Central Committee was not accepted at this meeting of the UNRRA Council. See J. W. Holmes, *The Shaping of Peace: Canada and the Search for World Order, 1943-1957*. Volume 1, Toronto, University of Toronto Press, 1979, pp. 43-44.

meet the needs of relief in Italy until the end of December. He explained that it was hoped that the United Kingdom and Canada would also contribute to the cost of relief during this period.

Owing to the unwillingness of the Russian delegates to commit themselves before receiving an informal assurance from the major contributing countries that something would be done to extend free assistance to the USSR, definitive conclusions on other important topics could not be reached until the final meeting of the Council. The arrangement made with the Russians, to which of course no reference was made in the course of the UNRRA proceedings, was to the effect that the United States, the United Kingdom and Canada considered that the statements made by the Russian delegates concerning Russia's need for supplies and her inability to pay for them would justify those countries in taking the line in the Committee appointed under Resolution 23[186] that the Ukrainian and Byelo Russian Republics were eligible for free assistance in the amount of $250,000,000. This assurance is being given in the form of a letter to which I have added my signature.[187]

The result of this arrangement was that the agenda of the final meeting of the Council was dealt with rapidly. Korea and Formosa were recognised as areas in which UNRRA should operate. France and Canada were included in the membership of the Central Committee and the report of the Committee of Financial Control was adopted. The USSR was made a member of the Committee for the Council for the Far East and a resolution was adopted concerning the repatriation of displaced persons outside Europe and the Far East.

The USSR abstained from voting on a resolution produced by the Australian representative which would have enlarged the membership of the Central Committee by three, namely, Australia, Brazil and Yugoslavia, and the effect of this abstention was that the motion which altered the Constitution of UNRRA could not be carried. Mr. Bruce[188] expressed great indignation on the grounds that the Russians had given no notice of their intention to oppose it and had assigned no reasons for doing so. Later in the proceedings the Russians explained that they had given as their reason that no notice had been received for the meeting or of the intention of Australia to propose a motion of this importance. Mr. Bruce explained that Australia was not represented on the General Committee at which this statement of the USSR's position had been made. This closed the incident while removing misunderstandings and it was agreed that the proposal should come before the next session of the Council.

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[186]Voir George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. volume III, New York, Columbia University Press, 1950, p. 67.
See George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. Volume III, New York, Columbia University Press, 1950, p. 67.

[187]Sur les arrangements avec l'Union soviétique, voir les documents 1218 à 1221.
On the arrangements with the Soviet Union, see Documents 1218 to 1221.

[188]Haut commissaire d'Australie en Grande-Bretagne; chef de la délégation de l'Australie.
High Commissioner of Australia in Great Britain; Head, Delegation of Australia.

The next important business to come before the last meeting was of course the resolution concerning further contributions to UNRRA,[189] a copy of which is attached. This resolution had been very carefully drafted by the United States, the United Kingdom and Canadian delegations. As you will see, it recommends a further contribution of 1% and provides for approval of the Director General's programmes by the Central Committee of the Council. The resolution was carried with no dissenting vote although some countries have abstained from voting. A great many delegations spoke on the resolution in explanation of the position of their respective countries but the United States, the United Kingdom and Canada were the only three which gave the meeting grounds for expecting a contribution in the full amount of 1% of their national incomes.

The United States delegate explained that the provision of funds could be made only by a vote of Congress which he could not guarantee. The United Kingdom delegate explained the financial difficulties with which his country was faced and the great effort which would be necessary to make its full contribution. In speaking on behalf of Canada, I explained that as soon as the question of contribution of 1% was brought up I asked my Government for authorisation to state that it would be willing to contribute and that I was fortunately now in a position to inform the Council that authorisation had been received. I emphasised the fact that when Parliament is asked to provide the funds, it would be important to convince Parliament that they will be equitably administered, that the receiving countries will co-operate to the full in rebuilding their economies so that no further help would be required, and that all contributing countries are bearing their fair share of the burden. In particular, I explained that the Canadian contribution could not be made unless it was clear that the United States Congress was willing to provide the United States contribution. The full text of my remarks will, of course, appear in the Journal of the conference.[190]

The last item of business to come before the meeting concerned the next session of the Council. Under the constitution a second session should be held in the present calendar year. The Central Committee has in effect been given discretion to postpone this session for a few months if it appears expedient to do so.

Although the proceedings of the Third Session of the Council have been very protracted, the final results appear likely to give general satisfaction and

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[189]Voir George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. volume III, New York, Columbia University Press, 1950, pp. 146-7.
See George Woodbridge, et al., *UNRRA: The History of the United Nations Relief and Rehabilitation Administration*. Volume III, New York, Columbia University Press, 1950, pp. 146-7.

[190]Voir United Nations Relief and Rehabilitation Administration, *Journal, Third Session of the Council, London, England, August 7 to 25, 1945*. Londres, 1945, pp. 127-8.
See United Nations Relief and Rehabilitation Administration, *Journal, Third Session of the Council, London, England, August 7 to 25, 1945*. London, 1945, pp. 127-8.

to make it possible for UNRRA to complete, if on a somewhat modest scale, the task which it has undertaken.

Yours sincerely,

L. B. PEARSON

1242. DEA/2295-Q-40

L'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au ministre de la Santé nationale et du Bien-être social

Special Wartime Assistant to Under-Secretary of State for External Affairs to Minister of National Health and Welfare

Ottawa, August 30, 1945

Dear Mr. Claxton,

With reference to our conversation at lunch to-day, I am enclosing a few notes that I have made on the recent Session of the UNNRRA Council.

Yours sincerely,

H. F. ANGUS

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Memorandum by Special Wartime Assistant to Under-Secretary of State for External Affairs

Ottawa, August 30, 1945

NOTES ON THE THIRD SESSION OF THE UNRRA COUNCIL

1. The first important business to come before the Council concerned Displaced Persons. The Director General recommended that UNRRA should extend relief to these persons even if they were not willing to return to their countries of origin and even if those countries objected to the relief being given. This recommendation was strongly supported by the United Kingdom and the United States, both of which produced alternative resolutions to that proposed by the Director-General. It was opposed by the U.S.S.R., Yugoslavia, Poland and Czechoslovakia. The U.S.S.R. based its case on respect for its sovereignty; Czechoslovakia on the danger of groups of political opposition forming outside the country and intriguing against its Government. The Poles, on the other hand, presented a very moderate argument, suggesting that they recognized groups which might properly wish not to return to Poland, but that they felt that their Government should be consulted before any decision was reached in particular cases. After much debate and many delays the matter was put to a vote and the decision reached that, until the next meeting of the Council, relief should be extended to all Displaced Persons in need of it. On behalf of Canada,

General LaFlèche had supported the motion, basing his recommendation on humanitarian grounds. The United Kingdom had stressed the continuation of the right of political asylum and the United States had argued that Congress would not vote any more money if it thought that UNRRA were being used for political purposes.

The repatriation of Displaced Persons has hitherto been handled by the Armies and has proceeded with unexpected speed, and the result has been that the expense which will fall on UNRRA in respect of these persons will be very much less than had been anticipated.

2. The second important item of business concerned the report submitted by the auditors, who condemned very severely the accounting methods that had been used by UNRRA. The U.S.S.R. delegation practically forced the Secretary to read this report publicly. It appears on page 26 of the Fourth Financial Report of UNRRA. A resolution was eventually passed approving the report of the Committee on Financial Control on the understanding that the Director-General would put into operation the reforms recommended by the auditors. (Deloitte, Plender, Griffiths and Company).

3. The programme of operations produced by the Director-General disclosed that a very large sum of money would be needed to carry on the work of UNRRA for the year 1946; and the need for funds was increased by the prospect of a demand from the Russians, who had applied for $700,000,000 and by the proposal of the United States and the United Kingdom that UNRRA should take over relief in Italy and Austria. A third resolution made Korea and Formosa eligible for relief.

4. The proposal with regard to Italy encountered very strong opposition. The South African delegation opposed it very strongly on constitutional grounds and on the ground that the United States, in asking at the Montreal meeting for special relief for Italy which was not to constitute a precedent, had substantially undertaken not to make a more extensive recommendation concerning Italy. The other countries objected strongly to the Italians receiving relief on the assumption that it meant that they would receive less. The United States attempted to counter this assumption by saying that Congress was not likely to vote any money at all unless relief in Italy were to be included. The United Kingdom representatives took a similar line, although they stressed more strongly the general desirability of relief being extended to Italy. Eventually the proposal was carried and UNRRA's financial requirements thereby increased by about $500,000,000.

5. The proposals concerning Italy had important repercussions in respect of military relief, to which Canada had been contributing. Mr. Clayton announced in the course of debate that the United States had secured an appropriation of $100,000,000 for relief in Italy after the cessation of military relief at the end of August. He considered that this would finance Italian relief until the end of the calendar year and hoped that the United Kingdom and Canada would continue to participate. This would have substantially increased the burden which those two countries have to bear because they had anticipated that military relief would end on October 1st. This matter has

formed the subject of separate correspondence[191] and it does not, of course, concern the other matters of UNRRA.

6. It was arranged by private negotiation between the United States, the United Kingdom and Canada on the one hand and the U.S.S.R. on the other that the U.S.S.R. should withdraw its request for $700,000,000, which would be replaced by two requests from the Ukrainian and Byelo Russian Republics for $125,000,000 each. After taking these into account, the smallest sum with which UNRRA could be expected to complete its work on an unambitious scale appeared to be an equivalent of the first contribution, namely 1% of the national income of those countries which could afford such a contribution and smaller contributions by other countries. The recommendation providing for these funds was formulated by consultation among the United States, the United Kingdom and Canada. The United Kingdom was very reluctant to make so large a contribution but was under some pressure from the United States to do so on the ground that a Congressional vote would be hard to obtain if the United States were bearing more than 75% of the total cost of UNRRA. It was an unfortunate coincidence that this pressure on the United Kingdom to contribute, if not foreign exchange, at least goods and services which could easily be converted into foreign exchange, came at a time when Lend-Lease shipments were terminated. However, the United Kingdom did agree to the larger contribution largely because it was recognized that even on a country-to-country basis (supposing that UNRRA came to an end), the United Kingdom would have to contribute a very large sum. The Canadian contribution was made conditional on contributions by the United Kingdom, the United States and other countries, and the attention of UNRRA was called to the fact that, if the assumption of relief burdens in Italy were to be postponed, the Canadian Government might have to deduct from its contribution to UNRRA whatever sums it was compelled to pay for relief in Italy after the termination of military relief there. It was rather disappointing that no fourth country was in a position to promise, even conditionally, a contribution of 1%. The Australians and New Zealanders, who did not participate in the debate, hoped that such a contribution might be authorized by their Governments but felt that it would be extremely difficult to make it because they had no foreign exchange available and it was difficult to find commodities acceptable to UNRRA. A large number of countries, most of them Latin-American, explained that they would do their best, although they thought it very unlikely that they would be in a position to make so large a contribution as 1%. It should, perhaps, be added that the United States in pledging 1% insisted on choosing the same base year as before, thereby saving $200,000,000. The reason for this choice was not an inability to make the same percentage contribution as other countries but the belief that Congress could be persuaded to repeat its former contribution but could not be persuaded to enlarge it merely because the national income had increased.

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[191] Voir les documents 1134 à 1136.
See Documents 1134 to 1136.

7. The election of France and Canada to the Central Committee of the Council was postponed by the Russians who were in a position to veto it until their financial claim had been compromised. Finally, it was the Russians who seconded the motion for enlarging the Council. They did, however, oppose a proposal of the Australians to enlarge it further still by the inclusion of three countries which were not Great Powers. Their opposition, which was fatal to the motion, was not explained or foreshadowed and this caused the Australians to express themselves very strongly. The Russians eventually explained that their reason for opposing the enlargement of the Council was that it constituted an important change in UNRRA's constitution and that notice of the proposal should have been given well in advance of the meeting of the Council. The Australians accepted this explanation and the incident closed as a misunderstanding.

1243. DEA/2295-AR-40

Le Premier ministre au directeur général, UNRRA

Prime Minister to Director General, UNRRA

Ottawa, September 17, 1945

Dear Mr. Lehman,

I have received with pleasure your letter of August 25† in which you reported the decision of the Council of the United Nations Relief and Rehabilitation Administration to include Canada in the membership of the General Committee. May I on behalf of the Canadian Government express to you my sincere thanks for your good wishes.

Arrangements have been made to have Mr. L. B. Pearson, the Canadian Ambassador in Washington, represent Canada on the Central Committee; at the same time, Mr. Pearson is taking steps to divest himself of the Chairmanship of the Committee on Supplies.

Yours sincerely,

W. L. MACKENZIE KING

PARTIE 3/PART 3

SECOURS POUR LA GRÈCE
RELIEF FOR GREECE

1244. DEA/3126-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 99 Washington, January 14, 1944

Sir,

I have the honour to refer to previous correspondence concerning the meetings of the Inter-departmental Committee on Greek Relief, ending with my despatch No. 90 of January 13th† forwarding the Minutes of the last meeting of that Committee held on January 10th, 1944.†

At that meeting the question of the continuation of the present Greek relief scheme under the supervision of the Swedish Government following the partial or total liberation of Greece from Axis occupation was raised. One of the two members of the Canadian Embassy attending the meeting asked how much correspondence had been exchanged on this matter, and between what countries. There was a moment of uneasiness when the British Representatives stated that early in November the matter had been taken up with the State Department, but the Canadian Embassy had not been kept informed. Our interest in this matter was readily recognized by all those present, and the State Department has now made available to the Embassy copies of certain correspondence with the Hon. Leo T. Crowley, Administrator of the Foreign Economic Administration, and with the Secretary of State and the British Embassy. The documents (copies attached) are as follows:

Telegram No. 7311, from Mr. Eden to Sir R. Campbell dated October 26, 1943.†

Letter to Mr. Crowley, dated December 7, 1943, from Mr. Hull.†

Reply of Mr. Crowley dated December 18, 1943.†

The reply from the Secretary of War dated December 18th,† which was marked secret, was not made available, but a member of the Embassy read it. It merely stated that the proposals put forward by the Secretary of State were agreeable to the War Department, subject, of course, to military necessities on the spot.

Memorandum from the State Department to the British Embassy, dated January 7, 1944, presumably.†

Letter from the Secretary of State to the Secretary of War, dated January 7, 1944.†

Letter to Mr. Crowley from Mr. Hull, dated January 7.†

Letter to the Hon. Herbert H. Lehman from Mr. Hull, dated January 7, 1944.†

You will note that in his letter of December 7th to Mr. Crowley, Mr. Hull pointed out in the 6th paragraph that after UNRRA begins to operate in Greek territory, the expenditure connected with Greek relief should be borne by that Administration. The same point is raised in paragraph 2, subsection 2 of the State Department's memorandum to the British Embassy. The beginning of the State Department's memorandum refers to the representatives of the British Embassy having raised the question of the continued functioning of the present Greek relief scheme at a recent meeting of the Committee on Greek relief. So far as the Canadian Embassy is aware, no reference was made to this question before the meeting of January 10th. It is obvious, therefore, that both the British and the United States members of that Committee discussed that question outside the Committee. However, the Canadian Embassy was not in possession of the correspondence, at the time of the last meeting.

It is our intention to raise the point at the next meeting concerning this matter, and to enquire why Canada has not been consulted before approaching the Swedish authorities. Since the bulk of the relief supplies to the Greeks comes from Canada, it would seem to be the least we can expect to be consulted before final arrangements are made following the liberation of Greek territory. It may be, however, that you have been kept informed by London. In that event, the Canadian Embassy would appreciate being supplied with any correspondence exchanged concerning this matter as soon as possible.

This whole question brings up once again the desirability of clarifying the relationship of Canadian contributions to UNRRA and those made for Relief outside UNRRA. You will note that in respect of Greek relief, the United States policy provides for the absorption of its contribution to that relief by UNRRA only after UNRRA begins operations in Greece. Our attitude has been that Canada's contributions to Greek relief should be included in her total UNRRA obligations from the date of UNRRA's establishment. If that is still the policy of the Canadian Government, it might be desirable to put it formally on record by a communication to the Director General, copies of which could be sent to the United States and United Kingdom Governments. Consideration might also be given to the desirability of broadening this formal statement to include other relief contributions ouside UNRRA, such as that to the International Wheat Council Relief Pool.

I have etc.

L. B. PEARSON
for the Ambassador

1245. DEA/3126-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH 77 Ottawa, January 19, 1944

Sir,

I have the honour to refer to your despatch No. 99 of January 14, on the subject of Greek Relief.

2. I have read with much interest the correspondence between the United States and British authorities concerning the possibility of continuing Greek relief under Swedish supervision following the partial or total liberation of Greece from Axis occupation. No knowledge of these discussions had reached this Department either from London or Washington. I share your view that it is extraordinary that the Canadian Embassy should not have been kept informed while correspondence was in progress.

3. We are, however, not in a very strong position to protest because we have not been consulted. Canada's part in Greek relief has from the outset been of a passive character and we have had very little to do with the military aspects of the problem. As regards the blockade policy, we have conformed entirely to the views of the authorities in the United Kingdom and in the United States, and the negotiations with the Swedish Government have been in the hands of the United Kingdom.

4. It was provided from the outset that Canada's contributions of wheat for Greek relief should count as relief contributions under the International Wheat Agreement[192] and it is, therefore, assumed that they will count as contributions to UNRRA, at least from the date of UNRRA's establishment. We agree that consideration should also be given to the desirability of bringing contributions under the Wheat Agreement into the UNRRA Relief Pool, in which event Canadian contributions of wheat for Greek relief would count from the outset as part of Canada's contributions to UNRRA.

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[192] Voir Canada, *Recueil des traités*, 1942, N° 11.
See Canada, *Treaty Series*, 1942, No. 11.

5. I should appreciate it if you will inform me whether the communication to the Director-General, which is suggested in your despatch, can best be made by the Canadian Embassy in Washington or by this Department.[193]

I have etc.

SCOTT MACDONALD
for the Secretary of State
for External Affairs

1246. DEA/3126-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH 769 Ottawa, May 26, 1944

Sir,

I have the honour to refer to teletype WA-3219 of May 25th,† from Mr. W. F. Bull[194] to Mr. H. F. Angus, on the subject of Greek relief. In this teletype it is reported that the Lend-Lease Division of the Foreign Economic Administration is hopeful that Canada will undertake the purchase not only of 1,000,000 pounds of dried salted cod, to be supplied from Canada, but also of 13,400,000 pounds of dried salted cod to be supplied from Newfoundland, and it is stated that in the case of the previous allocation there was considerable difficulty in obtaining approval for the purchase of cod fish from Newfoundland by Lend-Lease for Greek relief.

2. I am inclined to think that it would be advisable to explain to the Lend-Lease Division of the Foreign Economic Administration how the suggestion which they are advancing is regarded in Canada. A special vote would be needed to finance the purchase of fish in Newfoundland as this is not a transaction which could be brought under our Mutual Aid procedure. That procedure is intended to deal primarily with war material, and while it has been possible to argue that civilian supplies for the United Kingdom, for Russia and for China had a direct bearing on the ability of those countries to continue fighting, it is not easy to contend that there is a strategical advantage of similar importance to be obtained by the shipment of food to Greece, which lies within the blockade area and is in German occupation.

3. The quantities of fish which have been allocated from Canadian sources have hitherto been paid for out of charitable funds and we have it under consideration at present to make special provision, analogous in character to

[193]Ni une réponse de l'ambassadeur aux États-Unis ni une communication au directeur-général d'UNRRA ne furent trouvées.
Neither a reply from the Ambassador in United States nor a communication to the Director-General of UNRRA was located.

[194]Attaché commercial, ambassade aux États-Unis.
Commercial Attaché, Embassy in United States.

that made for the purchase of Canadian wheat, to cover outstanding allocations in respect of the 1943 catch, together with the allocation of 1,000,000 pounds referred to earlier in this despatch. It would, in the circumstances, not be practicable to make a sum of the order of between $2,000,000 and $3,000,000 available in this way for the purchase of fish in a third country. There do not appear to be any other ways in which such a purchase could be financed by Canada.

4. In drawing attention to the constitutional and political difficulties which lie in the way of Canada's meeting the wishes of the Lend-Lease Division of the Foreign Economic Administration, it is not intended to rest our case entirely, or even chiefly, on such grounds. The essence of the situation appears to us to be that it is necessary for the relief of famine in Greece that a considerable quantity of fish should be bought in Newfoundland. The Commission of Government can hardly be expected to finance a transaction of this magnitude. The problem appears to us to be whether it is more appropriate that the United States should finance it or that Canada should do so. We realize that in both instances political difficulties exist. We do not believe, however, that there is any basic difference between the general willingness of the Canadian people to make sacrifices to relieve starvation in Greece and the general willingness of the people of the United States to make sacrifices for that purpose. Canada, as appears from your teletype WA-3220 of May 25th,[†] has already contributed $14,000,000 for Greek relief. The United States has contributed $18,000,000. In proportion to population and wealth, Canada has made by far the greater contribution, and we are strongly of the opinion that, if a special financial effort must now be made by one or other of these two countries to relieve famine in Greece, it is the United States rather than Canada which should make that effort.

5. It would, of course, be as gratuitous for Canada to urge the United States to extend Lend-Lease aid to Greece in this matter as it would be for the United States to urge Canada to buy Newfoundland fish for the benefit of the Greeks, but if the need for extending relief to Greece is mutually recognized and we are discussing in a friendly way who should provide it, I think the case that can be made out for the assumption of the burden by the United States is overwhelmingly strong. If, therefore, you see no objection to such a course, I should appreciate it if you will discuss the question frankly with the Lend-Lease Division of the Foreign Economic Administration.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1247. DEA/3126-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-2863 Ottawa, July 10, 1944

Following for Pearson from Robertson, begins: Wheat for Greek relief.

The Greek Minister told me a few days ago that his Government was very worried about the interruption of the supplementary wheat supplies for famine relief in Greece which have been received from the Argentine Government. I have been informed by a telegram from our Chargé d'Affaires in Buenos Aires[†] that the first 50,000 tons of relief wheat offered by the Argentine Government under Ramirez have been sent to Greece but that the present Argentine authorities have held the decree authorizing the promised second allotment of 50,000 tons in abeyance. This suspension will apparently continue until the Greek Government reopens diplomatic relations.

The Greek Government, taking its lead from the Governments of the United States and United Kingdom, is not recognizing the present Argentine Government and, in the circumstances, cannot very well ask the Argentine Government to continue assistance to Greece. Argentina appears to regard the resumption of the wheat shipments as a consideration which may affect the general question of recognition.

I understand that the Greek Minister has been instructed to inquire whether Canada could increase its supplies of wheat to Greece but that he is very reluctant to take the matter up officially with us since he felt that Canada had already done a great deal to aid his country.

Situation as outlined in preceding paragraphs is being reported to Cabinet Wheat Committee today and will be brought informally to attention of International Wheat Council which is only appropriate body on which Argentina is represented. I think Combined Food Board should also be informed of present position, since any further allocation of relief wheat to Greece that may later be agreed upon would in any case have to be cleared through Combined Food Board. Ends.

1248. DEA/3126-40

Le sous-secrétaire d'État aux Affaires extérieures au ministre de Grèce

Under-Secretary of State for External Affairs to Minister of Greece

Ottawa, July 21, 1944

Dear Mr. Depasta,

I am referring to your telephone conversation of July 27 with Mr. H. F. Angus of the Department of External Affairs regarding the interruption of the supplementary wheat supplies which have been supplied from the Argentine Government for famine relief in Greece, and to my earlier discussion of this subject with you on June 29.

The Canadian Embassy in Washington has been informed by the Inter-Agency Committee on Greek relief that only three shiploads of wheat totalling not more than 25,000 tons have gone to Greece from the first Argentine allotment of 50,000 tons. In addition one ship is now due in Buenos Aires and a second in early August. Therefore the first allotment is not likely to be completed until September or later.

Meanwhile the Canadian Government is arranging for the inclusion of the question of supplies of wheat for Greece on the agenda either of the Executive Committee of the International Wheat Council which is to hold a meeting in late July, or of the Council itself which is to meet early in August. The Argentine delegate attends both the Council and the Executive Committee and the Canadian representative will avail himself of the opportunity to request the Argentine delegate to ascertain from his Government their intended programme regarding continued shipments of relief wheat from Argentina.

If the Argentine Government should be unwilling to ship the second allotment of 50,000 tons, the Canadian Government would then consider the question of the procurement of an additional amount from Canadian sources.

Yours sincerely,

N. A. ROBERTSON

1249. DEA/3126-40

Le sous-ministre par intérim du Commerce à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Acting Deputy Minister of Trade and Commerce to Special Wartime Assistant to Under-Secretary of State for External Affairs

Ottawa, September 1, 1944

Dear Mr. Angus,

With reference to our earlier correspondence concerning the continued shipment of relief wheat to Greece from Argentina,† Dr. Wilson[195] advises that this matter was discussed at the August 28 meeting of the International Wheat Council and at the meeting of the Council's Executive Committee on August 30th.

Mr. Viacava, the Argentine delegate, stated that it was the intention of his Government to complete the shipment of the first 50,000 tons of wheat from Argentina, of which about 28,000 tons has now been shipped. Mr. Viacava was not aware that any plans had been made by his Government to continue

[195] Directeur, la direction du blé et du grain, le ministère du Commerce.
Director, Wheat and Grain Division, Department of Trade and Commerce.

shipments to Greece beyond the exhaustion of the first 50,000 tons. Dr. Wilson pointed out that the problem was one of maintaining average monthly exports of 15,000 tons from Canada and 9,000 tons from Argentina to meet the Greek requirements of 24,000 tons per month.

Mr. Viacava undertook to consult his Government about the principle of continuing shipments from Argentina beyond the 50,000 tons and the Executive Committee regarded this a matter within its competence to either allocate further quantities to Greece from the remaining 150,000 tons which Argentina has agreed to make available to the Wheat Council for relief allocations, or if for any reason the Argentine Governmnt desires to discontinue shipping to Greece, the Executive Committee would then recommend an alternative source of shipment.

This matter is to be discussed at the next meeting of the Executive Committee, which will be held some time in September, at which time Mr. Viacava will be able to report on the views of his Government.

Yours faithfully,

OLIVER MASTER

1250. DEA/3126-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-5578 Washington, September 26, 1944

Following for H. F. Angus from Bull, Begins: With reference to the Argentine gift of wheat to Greece.

It was reported at last week's meeting of the Inter-Agency Committee that this question had been discussed with the International Wheat Council, and that the Argentine representative had agreed to take this matter up with his Government. As no reply had been received from the Argentine by September 15th the Argentine representative on the International Wheat Council followed up his original inquiry. The prospects are good that the second 50,000 tons of wheat will be forthcoming; if not, the United States will supply this wheat. The shipment of the first 50,000 tons will be completed in November.

On the question of Greek relief supplies from Argentina, the Swedish Commission recently asked for an increase of 1,000 tons per month in the supply of fats. The Ministry of Economic Warfare suggested to the Greeks that they ask F.E.A. to obtain 1000 tons of sunflower oil in the Argentine for shipment to Greece. In the course of the discussion it was reported that the State Department had requested the Greek Government not to ask the Argentine Government for any further grants of food stuffs, and that the Greeks have concurred. F.E.A. will increase the shipment of lard and soya oil

by 400 tons to compensate in part for the sunflower oil which might have been supplied by Argentina. Ends.

1251. DEA/3126-40

Le ministre de Grèce au Premier ministre

Minister of Greece to Prime Minister

No. 519 Ottawa, September 30, 1944

Dear Mr. Prime Minister,

I have been requested by Mr. Papandreou, the Greek Prime Minister, to submit to you the following telegram:

I am happy to assure you once more, Mr. Prime Minister, that the Greek people will always remember gratefully the generous help given to them by the Government and people of Canada during the most critical period of their history. This gesture has proved the humanitarian feelings of the Canadian people towards the Greek Nation and largely contributed in saving the Greek people from starvation.

Thanks to the common efforts of the Allies the liberation of our country is imminent. The question of feeding the Greek people, however, who have suffered so intensely, is still our principal concern. The military plan to send supplies to Greece for another six months, in spite of all, is inadequate as you will readily appreciate, in view of the nation's requirements with regard to the daily bread ration which is their principal sustenance. The harvest of the local wheat crop will require some time before it could be marketed and, therefore, we appeal to the generosity of the Canadian Government to continue their help in the meantime so that by this additional supply a sufficient bread ration could be assured to the Greek people .

We feel confident that you, Mr. Prime Minister, will once more come to the aid of Greece and thus acquire the renewed gratitude of the Greek people.

G. PAPANDREOU
Prime Minister of Greece

Accept etc.

G. DEPASTA

1252. DEA/3126-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4131 Ottawa, October 11, 1944

Following for Pearson from Angus.

We should appreciate any information that you can obtain as to the probable future of relief operations in Greece. Under cover of circular despatch D. No. 138 of September 29th† we have received from the Dominions Office a copy of a Memorandum of Agreement† which it is proposed to conclude with the Greek Government. Clause 5 provides that the Commander of the British Military Force will bring supplies and provide relief. Clause 17 provides that in distributing supplies and otherwise providing relief, the Commander will use the services of UNRRA. These two clauses suggest that the relief supplies will be of the nature of military relief.

It is this suggestion which puzzles us. We have understood the military relief agreement to apply to Western Europe. Is it expected that it will be applied to Greece as well? We have also understood that after the date on which UNRRA personnel take over the administration of relief, wheat shipments from Canada will count as part of Canada's contribution to UNRRA. If supplies were to be provided by way of military relief, the position of the wheat which Canada is supplying would have to be considered. Would it be:

(a) a sale of Canadian wheat to military relief authorities in an area in which Canada is not contributing to the cost of military relief;

(b) a sale to UNRRA;

(c) as at present a gift to Greece;

(d) a Canadian contribution to military relief in an area to be included in the agreement on this subject?

1253. DEA/3126-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4160 Ottawa, October 13, 1944

IMMEDIATE. Following for Pearson from Angus, Begins: Your WA-5863 of October 12th,† future of relief operations in Greece. In the course of your enquiries it may be useful for you to know that the Greek Prime Minister had addressed a telegram to the Canadian Prime Minister asking for the continuation of Canadian help for Greece in addition to the relief which has been promised under the military plan. It is difficult to reply to this telegram unless we know what the military plan is and what part, if any, UNRRA will take in providing supplies. If the Canadian shipments of wheat to Greece are to count as part of the Canadian contribution to UNRRA as from the date on which UNRRA takes over relief, it would rest with UNRRA and not with the Canadian Government to decide what wheat, if any, should be sent after that date.

If a prolonged period of military relief is anticipated before UNRRA takes over, it might be rather much to expect Canada both to pay eight per cent of

the net cost of the military relief and to continue to donate wheat to Greece because the military relief was inadequate. Ends.

1254. DEA/3126-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, October 17, 1944

The Greek Minister came to see me yesterday, with a copy of his letter to you of September 30th, in which the Greek Government had asked whether the Canadian Government would be willing to continue shipments of relief wheat to Greece, to supplement the provisions which Greece will receive under military relief arrangements.

I told Mr. Depasta that I thought there would be no stoppage of Canadian wheat shipments to Greece. In fact, if shipping permitted, they would probably increase, but the wheat supplied from Canada would be made available under the military relief scheme. It would not be feasible to continue direct Canadian Governmental relief to Greece over and above the relief furnished during the next six months under military relief, to which Canada was contributing directly. I saw no reason to fear that the bread rations under military relief scheme would be inadequate. The limiting factor in deliveries during the next months would be shipping, and the quantity of shipping available for moving wheat to Greece would be the same whether the wheat was being made available under the military relief scheme or by direct gift from the Government of Canada.[196]

1255. DEA/3126-40

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

Ottawa, October 17, 1944

GREEK RELIEF

Mr. Depasta called on me this morning to confirm his understanding of his conversation with you yesterday concerning the telegram from the Prime Minister of Greece on this subject. I explained to Mr. Depasta that my expectation was that the shipments of wheat from Canada would continue to

[196] Note marginale:
Marginal note:

be made but that instead of being a gift from Canada to Greece they would be a contribution from Canada to military relief which would, in turn, give them to Greece. Later on, they might become a contribution from Canada to UNRRA which would, in turn, give them to Greece.

I pointed out to Mr. Depasta that it made no difference whether the gift were kept separate from military relief or integrated with it so far as the quantities of foodstuffs which the Greeks might expect to receive were concerned. The military authorities would, in the latter case, supply the wheat, together with what other foodstuffs they considered necessary. In the former case, the military authorities would take account of the stocks of food in Greece and of the wheat from Canada and would then consider what additional foodstuffs it was necessary to send.

I informed Mr. Depasta that before replying to the Prime Minister's telegram we were endeavouring to find out what the exact arrangements would be, but that so far as the prospects of the Greek people receiving food were concerned, we did not think that the form of the arrangements or the technical channels used would make the least difference.

H. F. A[NGUS]

1256. DEA/3126-40

Le sous-secrétaire d'État aux Affaires extérieures au ministre de Grèce

Under-Secretary of State for External Affairs to Minister of Greece

Ottawa, October 30, 1944

Dear Mr. Depasta,

I am instructed by the Prime Minister to acknowledge and thank you for your letter of September 30th, 1944, transmitting to him a telegram from the Greek Prime Minister requesting the Canadian Government to continue their shipments of relief wheat to Greece during the military period.

We understand from recent discussions held in Washington that the military programme will provide supplies of flour and wheat for Greece. Canada expects to contribute directly to the military relief programme and any wheat sent to Greece by Canada after the commencement of that programme would normally count as part of Canada's contribution to military relief. Shipping facilities are strictly limited and even if Canada continued to supply wheat to Greece independently of the military programme, it could hardly be expected that the military authorities would disregard the supplies from Canada in calculating what further supplies it would be necessary for them to provide.

It is uncertain at the present time if Canadian wheat will actually form part of the wheat sent under the military relief programme. Inquiries are being made to ascertain if the Swedish ships will be available for this purpose.

In view of these circumstances you will appreciate that the Canadian Prime Minister is reluctant to reply to the Greek Prime Minister until he can speak with greater assurance about the future. Meanwhile, I am sending the information which we now have and which you may wish to convey to your Government.

Yours sincerely,
N. A. ROBERTSON

1257. DEA/3126-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6439 Washington, November 14, 1944

Following for H. F. Angus from Bull, Begins: With reference to your EX-4544, November 10th†—cargo for Swedish vessels, *Saggat* and *Formosa*, on Greek Relief Fund—I have had several discussions with State Department, F.E.A., and the British Embassy officials concerned with Greek relief, on the question of cargo for the above vessels. In my letter of November 1st† I provided you with a schedule of Greek relief shipments for the balance of this year. Out of this schedule F.E.A. can provide some 10,000 tons of cargo, including 40 motor vehicles, for loading at St. John in November—early December. This leaves five or six thousand tons of space, and Wijkman,[197] in a telephone conversation with the Chairman of the Inter-Agency Committee, yesterday, suggested that we provide wheat to complete the loading of these two vessels.

The *Tamara* is due to sail from Greece on November 18th. There is a balance of some 20,000 tons of United States cargo covered by 1944 Lend-Lease requisitions, and it is hoped that sufficient cargo out of this balance will be available in St. John to load the *Tamara*. However, at the last moment we may be again asked for a limited quantity of wheat to complete the loading of this vessel.

Although this cargo is not being called forward by the theatre commander, in view of the safe conduct arrangement reported in my WA-6380 of November 9th,† there is no reason why any Canadian wheat shipped to the Relief Commission in Greece on the above and future Swedish vessels should not be charged against our overall military relief contributions. This wheat would, of necessity, be consigned as in the past, to the Relief Commission. However, the necessary accounting entry could be made at a later date.

The position of Lend-Lease shipments to Greece has not yet been determined. These materials continue to move on straight Lend-Lease

[197] Ministre de Suède.
Minister of Sweden.

requisitions. However, it is possible that these shipments may eventually be charged to military relief. We have been promised a report on this subject which we will forward to you. In the meantime we would appreciate your reaction to the proposal that Canadian wheat be made available to complete the loading of the three Swedish vessels listed above.

With reference to gasoline, oil and grease, Wijkman advised the Chairman of the Inter-Agency Committee on Greek relief that Cancross[198] is anxious to complete their shipping programme. We consider this method of shipping gasoline most uneconomical, and in the absence of information to the contrary, no longer necessary. However, if Cancross have commitments they cannot get out of, the Inter-Agency Committee would have no objections to the continued shipment of gasoline, oil and grease in drums, on the deck of the relief vessels so long as this movement does not replace any essential cargo. Ends.

1258. DEA/3126-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-4601 Ottawa, November 15, 1944

IMMEDIATE. Following for Bull and Pearson from Angus, Begins: Your WA-6439 of November 14th, wheat for Greece. The suggestion made in your teletype that 6,000 tons of wheat should be provided for the *Saggat* and *Formosa* to be consigned to the Relief Commission in Greece but to be credited on arrival as a military relief contribution has received very careful consideration. It seems to us out of the question that if the safe conduct precludes a consignment to the military relief authorities we should secure the same result by indirect means designed to evade the terms of the safe conduct.

It would probably be possible to make the required quantity of wheat physically available, provided that the financial terms on which it is supplied can be made clear. Apparently a straight-forward sale for military relief purposes is out of the question because of the safe conduct conditions. The Canadian-Greek Relief Fund, as you know, is in debt and an appeal to the public cannot take effect before the proposed shipment. Is there any other source from which a shipment of wheat for relief purposes in Greece could be furnished consistently with the safe conduct conditions? It might be worth while for you to explore in Washington the possibility of UNRRA undertaking such a shipment. In the meantime we can examine whether it would be appropriate to make a further shipment for Greek relief under the plan for providing wheat for Greece through the Swedish Commission. It has been assumed here that work through this Commission has terminated.

[198] La Croix rouge canadienne.
Canadian Red Cross.

In the meantime you will no doubt wish to explore the possibility of making up the 6,000 tons of space by the shipment of some other supplies from United States sources. Ends.

1259. DEA/3126-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6847 Washington, December 7, 1944

Following for H. F. Angus from Bull, Begins: Reference wheat supplies for Greece—Chairman of Inter-Agency Committee on Greek Relief reports that arrangements are being concluded under which Lend Lease funds will be available to finance charter hire of Swedish ships for the first quarter of 1945, provided that these ships are not taken into the shipping pool prior to that time. It is also proposed to finance through Lend Lease fund, food stuffs for shipments in the first quarter of 1945 based on the quantity to be supplied during the fourth quarter of this year—see my letter of November 1st,† in which I enclosed a schedule of proposed shipments during the fourth quarter, 1944.

We estimate that we will have approximately 35,000 tons of Swedish shipping per month, in January, February and March, 1945, and only 15,000 tons of United States relief cargo to move under the safe conduct agreement to Greece. Accordingly, the Inter-Agency Committee is anxious to know if some 20,000 tons of Canadian wheat per month can be made available to assure that these relief ships will be fully loaded.

We discussed this matter at a meeting this morning with Wilson, McIvor,[199] McNamara,[200] Beamer, Sale,[201] Ritchie, Lewis,[202] and myself. Wilson, McIvor and McNamara are to raise this question at a meeting of the Cereals Committee of the Combined Food Board later today, and we propose a discussion of the military relief implications with our military representatives and U.S. and U.K. members of C.C.A.C.(S) tomorrow.

We will provide a further report for you after this proposed meeting and Wilson will report direct to you on his return to Ottawa, Monday, December 11th. Ends.

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[199] Commissaire principal, la Commission canadienne du blé.
Chief Commissioner, Canadian Wheat Board.

[200] Le représentant à Washington, la Commission canadienne du blé.
Representative in Washington, Canadian Wheat Board.

[201] Membre, la mission canadienne conjointe des états-majors, Washington; secrétaire, le Comité canadien des opérations de secours, Washington.
Member, Canadian Joint Staff Mission, Washington; Secretary, Canadian Relief Operations Committee, Washington.

[202] Officier exécutif canadien adjoint, la Commission composée de l'alimentation.
Deputy Canadian Executive Officer, Combined Food Board.

1260. DEA/3126-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 2773 Washington, December 9, 1944

SECRET

Sir,

I have the honour to refer to our teletype WA-6847 concerning the provision and financing of wheat supplies for Greece.

2. As anticipated in the last two paragraphs of that teletype we have had a discussion of the general subject with the appropriate United States and United Kingdom representatives in Washington. An informal memorandum on this discussion is enclosed. This memorandum has been checked with the representatives of the U.K. Embassy who confirm that it reports accurately the sense of the meeting. We are circulating the memorandum to the other U.S. and U.K. representatives who participated in the discussion with a request that they indicate whether or not the memorandum accurately expresses the views put forward at the meeting.

3. You will wish to note particularly that the F.E.A. representative indicated his understanding that the F.E.A. expected that expenses incurred by them in the provision of such relief supplies after a date to be determined will be shared along the lines of the general agreement.

4. Pending completion of the formal agreement concerning the financing of relief supplies provided on a combined basis outside UNRRA it would seem that we shall be unable to secure a firm commitment providing for the inclusion of these particular wheat shipments under this general agreement. On the basis of this discussion however we are confident that the U.S. and U.K. representatives in Washington will be in sympathy with any suggestion which we might make for the inclusion of these shipments in the general financial arrangement.

5. If it is your intention that wheat supplied to Greece through the neutral Swedish-Swiss Commission during the military relief period shall not be a straight gift from Canada, we are convinced on the basis of this discussion that you can now proceed with the provision of the necessary quantities of wheat with the confident expectation that expenses incurred after an appropriate date will be shared among the three governments who will be parties to the general relief agreement, if payment is not received from the Greek Government.

6. I should perhaps add that if it would be found somewhat embarrassing for us to include these shipments subsequent to a certain date in our bill to the Greek Government for relief provided under the arrangement, there is now a suggested provision in the proposed agreement which would make it possible for the expense to be shared among the three governments without the

necessity of going through the formality of requesting payment from the Greek Government, if the three participating governments mutually agree to refrain from requesting such payment. The relevant provision in the proposed agreement reads as follows:

"that, *unless other arrangements are mutually agreed upon,* payment in full shall be requested of all governments or authorities of liberated or conquered areas to which such supplies are furnished."

7. The method employed in the initial financing of these wheat supplies (i.e. whether the wheat is to be procured under the Order-in-Council covering the gift of wheat to Greece,[203] or whether it is to be procured under the general "military relief" Order-in-Council)[204] would seem to be a matter of concern to the Canadian Government alone.

I have etc.

L. B. PEARSON
For the Ambassador

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de l'ambassade aux États-Unis

Memorandum by Embassy in United States

FINANCING OF CERTAIN RELIEF SHIPMENTS TO GREECE DURING THE MILITARY PERIOD UNDER THE AUSPICES OF THE NEUTRAL SWEDISH SWISS RELIEF COMMISSION

In view of the proposal to continue the Swedish ships in the Greek Relief Service, a meeting was called to discuss the possibility of arranging for financing the continuation of this Greek Relief Scheme under the general agreement among the United States, the United Kingdom, and Canada, covering relief provided on a combined basis outside UNRRA.

The meeting was held in the Pentagon Building, at 3.15 on December 8th, 1944.

PRESENT:

Colonel J. Megaw	United Kingdom Member of C.C.A.C.(S)
Major W. A. Whitfield,	Representing U.S. Secretary of C.C.A.C.(S)
Colonel W. C. Beamer,	Canadian Member, C.C.A.C.(S)
Major Lord Waldegrave,	British Army Staff
Lt. Col. Chas. Sale,	Canadian Army Staff
H. Alexander Smith, Jr.,	U.S. War Department
Paul White,	Foreign Economic Administration
Roger Jackling,	Relief and War Supplies, British Embassy
R. K. Taylor,	Relief and War Supplies, British Embassy
A. E. Ritchie,	Canadian Embassy
Wm. Frederick Bull,	Canadian Embassy

[203]Décret en Conseil P.C. 92/4430 du 27 mai 1942.
Order in Council P.C. 92/4430 of May 27, 1942.
[204]Document 1060.

A quantity of wheat up to 25,000 tons per month will be required to complete the loading of these relief vessels and Canadian wheat authorities have indicated that these quantities can be made available for shipment out of St. John. The Canadian representative inquired as to the method of financing such wheat shipments and the other relief cargoes provided by governments, and not by voluntary relief societies.

The F.E.A. representative indicated his understanding that it was F.E.A.'s expectation that the Lend Lease expenditures incurred, after a date to be determined, in the procurement and shipment of relief supplies to Greece would be brought under the general arrangement for combined financing.

The representatives of the British Embassy stated that they had already raised with London the question of future financing of supplies, under the Swedish-Swiss Relief Scheme and had reported that it was likely to be the view of the Canadian and United States governments that future financing should be within the framework of the overall scheme for the finance of relief outside the scope of UNRRA, and had requested London's view as to this proposal and as to the date from which shipments under the Swedish-Swiss Scheme should be brought into account.

The military representatives of U.S., U.K., and Canada agreed as to the desirability of retaining the services of these ships and expressed the view that the provision of sufficient approved cargo to fill these ships should be encouraged.

Pending settlement among U.S., U.K., and Canada on the precise terms of the formal agreement to cover the financing of relief provided on a combined basis outside UNRRA it was recognized that no formal provision can be made at this stage for the inclusion of these shipments in the general arrangement. It was observed, however, that the general agreement, in the form now proposed, would permit of the inclusion of these shipments.

If necessary, it was considered that specific provision could be made in the formal agreement, or in an annex thereto, for the combined financing of these shipments. It was noted that the proposed agreement is so worded that it could be agreed among U.S., U.K., and Canada that no bill be presented to the Greek Government for these particular relief supplies, if it is agreed among the three supplying countries that the financing of these shipments be borne by the governments who are parties to the agreement. It was observed further that as this general agreement covers not only "military" relief but is rather an arrangement for the financing of general relief, the suggested arrangement for financing these shipments could scarcely be interpreted as contravening the safe conduct agreement so long as supplies are consigned to the neutral Swedish-Swiss Relief Commission, as in the past.

1261. DEA/3126-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4914 Ottawa, December 12, 1944

Your WA-6847 December 7th. Wheat supplies for Greece.

The balance of $2,700,000 in the present War Appropriation would probably cover expenditures on an additional 54,000 tons of wheat. Since 8,400 tons have already been ordered for shipment in December, this would leave a balance of 45,600 tons for shipment from January through March.

I understand from Dr. C. F. Wilson that at a CCAC(S) meeting held on December 8th, the United States, United Kingdom and Canadian representatives took the view that the cost of providing wheat, lease-lend freight, etc., could be covered within the terms of the military relief agreement shortly to be concluded. No formal action could be taken until the conclusion of the agreement but it was anticipated that there would subsequently be no difficulty in bringing the shipments in Swedish vessels as from a date to be agreed within the framework of the new relief agreement.

It is therefore probable that at least the remaining 14,400 tons needed to make up the 20,000 tons monthly could be covered by our National Defence Appropriation for Military Relief.

I also understand from Dr. Wilson that the Cereals Committee of the Combined Food Board has concurred in the view that any shipments to Greece in Swedish vessels could be treated as supplementary to the amounts provided for in the Military Relief programme to Greece.

1262. DEA/3126-40

Le sous-secrétaire d'État aux Affaires extérieures au ministre de Grèce

Under-Secretary of State for External Affairs to Minister of Greece

Ottawa, December 12, 1944

Dear Mr. Depasta,

You will recall that in my letter of October 30th, 1944, regarding the continuation of Canadian relief wheat shipments to Greece, I stated that the Canadian Prime Minister was reluctant to reply to the Greek Prime Minister's telegram until he could speak with greater assurance about the future.

Arrangements have now been completed by which the Canadian Government will continue to send wheat for the relief of Greece in the cargo space on the Swedish relief vessels which is not required for other relief supplies. So far

as the physical supply of wheat is concerned the Canadian Government is thus doing all that is possible to aid the Greek people.

The Prime Minister would be grateful if you would convey this information to Mr. Papandreou.

Yours sincerely,

[N. A. ROBERTSON]

1263. DEA/3126-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-579 Ottawa, February 16, 1945

Following for Bull from Angus, Begins: Mr. Pearson's despatch No. 387, February 12th,† transfer of relief operations in Greece to UNRRA.

As now suggested April 1st is envisaged as target date for UNRRA to take over responsibility for Greek relief and has been accepted as such by UNRRA.

You are aware that our present arrangements, although nominally a gift under the Joint Relief Scheme, may be brought retroactively under the military relief plan. We should now like to know what plans are proposed as to the eventual financing of the wheat for Greek relief when delivery is taken by UNRRA after April 1st and where financial responsibility will lie for wheat cargoes arriving in Greece after that date.

1264. DEA/3126-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-997 Washington, February 23, 1945

Following for H. F. Angus, Department of External Affairs, from Bull, Begins: Reference your EX-579 of February 16th and your EX-654 of February 21st,† we have discussed with UNRRA, Greek Division, FEA, and members of C.R.O.C.,[205] the taking over of Greek relief programme by UNRRA. As indicated in your EX-654, UNRRA proposes to assume financial responsibility for:

(1) All relief supplies reaching Greece after April 1st, 1945.

(2) All relief supplies in Greece the ownership of which has not passed into the hands of the Greek Government or other distributing agencies.

[205]Canadian Relief Operations Committee.

The above proposal does not cover charitable gifts contributed by such relief agencies as the Greek War Relief Fund of Canada.

With reference to Canadian wheat, supplied under the joint relief programme and carried by Swedish vessels, the figures available in Washington indicate the following shipments and proposed shipments:

December, 1944	7,000 tons
January, 1945	6,000 tons
February, 1945	9,300 tons
March, 1945	20,000 tons?

Only one of the February vessels has sailed—the *Virginia* with 1,500 tons. The *Suorva* and the *Boolongena* are at present loading a total of 5,500 tons and should sail early next week. The *Nagara* is to load 2,300 tons and should also sail next week. As these vessels are averaging a month in transit, the wheat on the *Suorva*, *Boolongena* and *Nagara* will not clear Greek storage depots before April 1st.

Six of the largest vessels are due in Saint John for loading in March and these six vesels - the *Formosa*, *Pedro Christopherson*, *Saggat*, *Tamara*, *Parramatta*, and *Akka*—have a combined cargo capacity of 48,400 tons. FEA estimates as an outside possibility that they will be able to deliver 23,700 tons of general food cargo from the United States and 4,000 tons of fish from Newfoundland for March loading. This leaves a requirement of some 20,000 tons of wheat required for Greece in March, all of which will arrive after the UNRRA period commences.

According to the latest report from the Theatre Commander, the Joint Relief Commission had 8,200 tons of grain and 1,530 tons of flour in store on December 18th, 1944. It is possible that this figure was higher than normal due to a breakdown in distribution resulting from the civil war and it would be more accurate to estimate the average storage position at 5,000 tons Canadian wheat in the hands of the Joint Relief Commission.

The above figures indicate an over-all total of some 43,000 tons of Canadian wheat shipped or to be shipped from Canada for Greece during the military relief period, of which some 35,000 tons will be taken over by UNRRA.

After consultation with my Canadian colleagues, it is my opinion that it would be advisable to negotiate direct with UNRRA rather than through military relief, as recovery under military relief on 43,000 tons would probably be at a reduced and uncertain percentage, whereas recovery under UNRRA on 35,000 tons would be 100 per cent of the Canadian cost of delivering this wheat to seaboard. UNRRA is prepared to negotiate directly with us and although we have indicated that the Canadian gift of wheat, under the joint relief scheme, at some agreed date might be brought under the military relief plan, we are not necessarily committed to do this. So far as I have been able to learn, FEA is still covering the United States share of the joint relief programme by Lend-Lease requisitions and it is their understanding that UNRRA will take over the cost of the ships on April 1st, and will repay Lend-Lease for goods in store on April 1st and goods arriving after that date.

UNRRA reports that they have set up a credit of $5,000,000.00 to cover the purchase of Canadian wheat to ensure full cargoes by the Swedish vessels. Mr. Wasson[206] is familiar with this arrangement which appears to have the flexibility necessary to cover the situation. We are to have a further discussion with UNRRA when their plans for taking over Greek relief are further advanced. In the meantime, we would appreciate your comments on the above proposal.

The tons in the foregoing are long tons—2,240 pounds. Ends.

1265. DEA/3126-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-820 Ottawa, March 5, 1945

Following for Bull from Angus, Begins: Your WA-997 of February 23rd.

Your proposal that you should negotiate directly with UNRRA rather than through military relief has been discussed with other Departments and the following suggestions have been received, with the approval of the Canadian Wheat Board, from the Department of Trade and Commerce:

"1. Re wheat procured by the Department of Trade and Commerce under Canadian Government aid to Greece on vessels arriving at Greek ports after the end of March, reimbursement should be made by UNRRA to the Canadian Government at the Canadian Wheat Board's Class II price for the particular grade of wheat prevailing on the afternoon of the last bill of lading date, plus freight and handling charges, etc., from an in-store basis Fort William/Port Arthur, to an f.o.b. basis West Saint John;

2. Re stocks of Canadian wheat in store in Greece on April 1 to be turned over by the Joint Relief Commission. Inasmuch as the identity of these stocks by cargoes will be lost, the quantity in store should be reimbursed by UNRRA to the Canadian Government on the basis of the Canadian Wheat Board's Class II prices, plus forwarding charges as above to an f.o.b. basis West Saint John, to be determined by the Class II prices prevailing on the last bill of lading dates on the latest cargoes arriving in Greece prior to April 1st up to the necessary quantity;

3. UNRRA to undertake procurement through the established channels; that is, Mutual Aid Administration, UNRRA Division, and Wheat and Grain Division of the Department of Trade and Commerce, for such quantities of wheat as are required for the Swedish vessels as soon as the proposed agreement takes effect."

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[206] Adjoint du directeur de l'administration, la Commission d'aide mutuelle.
Assistant to Director of Administration, Mutual Aid Board.

These suggestions do not deal with the general question of whether it would be preferable to limit our negotiations to 35,000 tons with which UNRRA is concerned rather than attempt recovery under military relief of the larger quantity of 43,000 tons. No doubt we shall have later the comments of the Department of Finance on this proposal.[207] I do not myself see why the two should be alternatives or why negotiations with UNRRA concerning the 35,000 tons should preclude negotiations with military relief concerning the 8,000 tons which UNRRA will not have received. If this is practicable, it would seem to be the best arrangement. As you point out we are paid in full for any supplies accepted by UNRRA, while if the supplies pass through military relief they enlarge the ultimate loss in which we have agreed to share to the extent of 8% and, in addition, the time of payment will be deferred. I cannot, however, understand how a claim against UNRRA should in any way constitute a waiver of our claim against military relief for supplies shipped from Canada to Greece during the military relief period but not taken over by UNRRA. Ends.

1266. DEA/3126-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-1348 Washington, March 13, 1945

Following for H. F. Angus, Department of External Affairs, Ottawa, from Bull, Begins: Reference your EX-820 of March 5th, the following letter is going forward to Wasson, Mutual Aid Board, from Weintraub, Acting Deputy Director General, UNRRA, covering procurement of Canadian wheat for Greece:

"This Administration has undertaken to assume full distribution and financial responsibility for relief supplies to Greece beginning 1st April, 1945. In accordance with this responsibility we have agreed that relief supplies arriving in Greece on and after the above date will be charged to this Administration by the military authorities and other agencies now delivering such supplies to Greece. This arrangement is necessary in order to assure a continued flow of supplies to Greece until this Administration has made the necessary arrangements to assume the entire responsibility for the procurement and shipping of all supplies programmed for Greece.

In this connection, it has been generally agreed that there should be no disruption in the present procedure and consignment to the Joint Relief Commission known as the 'Commission de Gestion pour le Secours en Grèce.' Under this procedure arrangements have been made to continue without

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[207] Non trouvé.
Not located.

change the loading of Swedish vessels at St. John, with a portion of the cargo coming from the United States and the balance consisting of wheat from Canada.

This is to confirm the telephone conversation between yourself and Mr. Karl Borders of this office by which UNRRA undertakes to have debited to the UNRRA account of the Canadian Mutual Aid Board Administration all Canadian wheat placed aboard these vessels under the arrangements with the Joint Relief Commission which arrives in Greece for the quarter beginning 1st April 1945. Upon receipt of information as to the amounts of wheat to be loaded under these arrangements for delivery in Greece during the second quarter of 1945 UNRRA will authorize debits through its customary procedure.

For reasons of security it is highly important that no information be released which would indicate any change in the present program of the Joint Relief Commission.

A copy of this letter has been handed to Mr. A. E. Ritchie of the Canadian Embassy for his information.

With great appreciation of your always ready cooperation, I am,."

We interpret this letter to mean that UNRRA authorizes Wasson to charge in the usual way against the UNRRA account, wheat loaded on vessels for arrival in Greece on and after April 1945. This takes care of the question of financing wheat shipments to Greece during the remainder of this month. We have not as yet worked out arrangements covering the payment by UNRRA for stocks of Canadian wheat in store in Greece, your paragraph number two. Ends.

1267. DEA/3126-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-4906 Washington, September 20, 1945

Following for S. D. Pierce, Department of External Affairs, Ottawa, Canada, from Scott, Begins: Repeat to: W. F. Bull, Export Permit Branch, 220 Queen Street, Ottawa, C. F. Wilson, Director, Wheat and Grain Division, Department of Trade and Commerce, Ottawa.

Regarding UNRRA responsibility for Canadian wheat taken over from Greek Joint Relief Commission stocks on March 31st.

Bull and Allen have discussed a problem which has arisen regarding the submission of an account by the Mutual Aid Board to UNRRA for the wheat in stockpile in Greece, which was last the subject of correspondence from Washington in Bull's letter of July 10th to Wilson,† copy of which was forwarded to Angus on July 11th.

2. The officials in F.E.A. concerned with getting UNRRA to assume responsibility for payment for United States supplies in the stockpile as of that date, have not been able to satisfy UNRRA that the latter is responsible financially for payment. Leading to submission of an account, F.E.A. has been endeavouring to get from UNRRA receipts for the supplies in the stockpile of March 31st, which it is assumed went into UNRRA distribution channels subsequent to that date. There is apparently nothing in UNRRA's Washington records to indicate that they had assumed responsibility or that they actually did take possession of the stocks. UNRRA's contention seems to be that the stocks were handed to the Greek Government (or Military authorities) for distribution and that their part in the transaction may have involved no financial responsibility. The problem is complicated by the absence from Washington of Norman Gould and other UNRRA officials who clearly understood the arrangement at the time it was made. UNRRA is cabling Gould in London for a report on the basis of which a satisfactory settlement of the whole problem may be possible.

3. We have learned from Bull that the Canadian account covering wheat in the stockpile on March 31st, properly chargeable against UNRRA, has not yet been submitted to them by the Mutual Aid Board. Although it would be desirable for this account to be submitted as soon as possible, we feel it should be based on the latest figures available on the stockpile position on March 31st. Only yesterday F.E.A. informed us that the figures contained in Chadbourn's letter to Bull on July 7th† have been revised as follows:

(a) The total in warehouse on March 31st was 19,620 long tons (not metric tons). Argentine wheat figure to be deducted becomes 7,974 long tons, leaving a balance of Canadian wheat of 11,646 long tons.

(b) The flour figure of 5,750 is also in long tons. Adding the equivalent in wheat, i.e., 6,778 long tons gives a total for the Canadian inventory of 18,424 long tons instead of 18,296 metric tons.

(F.E.A. has been requested to confirm these figures to us in writing and they are being pressed for this information.)

4. In Bull's WA-1348 of March 13th to Angus, he pointed out that "arrangements covering the payment by UNRRA for stocks of Canadian wheat in store in Greece" had not yet been worked out. The only written record we have of UNRRA's understanding regarding payment is Bull's file memorandum† covering his and Ritchie's conversation with Borders and McAnsh of UNRRA of March 14th. This reads as follows, Begins:

"Accompanied by Mr. Ritchie, I called on Karl Borders and James McAnsh of UNRRA to discuss the procedure for the taking over of Canadian wheat supplies in Greece as of April first.

Messrs. Borders and McAnsh confirmed UNRRA's policy to assume the financial responsibility for this wheat. Roy Hendrickson[208] has been in Athens for the past ten days negotiating with the Military Relief authorities and the

[208] Directeur général adjoint, UNRRA.
Deputy Director General, UNRRA.

Joint Relief Commission for the taking over of their supplies, and we can assume that he has worked out a procedure with these agencies.

Pending receipt of a report from Mr. Hendrickson, UNRRA does not know what arrangements have been made. They anticipate no difficulty in arranging with Mr. Wasson to debit the UNRRA wheat account immediately the inventory is received showing the position of Canadian wheat in store in Greece on April 1st." Ends.

5. To our knowledge the question of payment by UNRRA for Canadian wheat taken over by them from the March 31st stocks of the J.R.C.[209] was never discussed subsequent to this date on a specific basis, as in line with the agreement concerning the taking over of Military stocks, it was assumed that UNRRA recognized a similar responsibility for stocks taken over from the J.R.C. even though the responsibility in the case of the J.R.C. stocks had not been explicitly acknowledged by UNRRA on paper.

6. While we assume that any misunderstanding between UNRRA and F.E.A. will be cleared up shortly we feel that prompt submission of the Canadian account on the basis of the new figures would be a desirable means of settling our claim at the earliest possible moment. Henry, of the Mutual Aid Board, is at present in Washington and is being provided with a copy of this teletype in order that he may discuss the matter with Wilson on his return. Ends.

1268. DEA/3126-40

L'ambassadeur aux États-Unis au secrétaire d'État par intérim aux Affaires extérieures

Ambassador in United States to Acting Secretary of State for External Affairs

TELETYPE WA-5102 Washington, October 3, 1945

Following for S. D. Pierce from Scott, (repeat to C. F. Wilson, Director, Wheat and Grain Division, Department of Trade and Commerce, Ottawa) Begins: Re Greek joint relief wheat stocks.

Confirming the figures given in paragraph three of my WA-4906 of September 20th, we have now received from A. R. Rosenberg of F.E.A. the following letter. Quote—

"This is in reply to your letter of September 21st† in which you request all changes in the Canadian wheat inventory subsequent to data contained in Mr. Chadbourn's letter of July 7th to Mr. Bull.

According to Mrs. Oliver's[210] recent telephone conversations with you, the warehouse inventory should be in long tons instead of in metric tons as stated

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[209] Joint Relief Commission.

[210] De l'Administration économique à l'étranger.
Of the Foreign Economic Administration

in the letter of July 7th from Mr. Chadbourn to Mr. Bull.† She also reasoned that the Canadian wheat in inventory would be as follows:

JRC Warehouse:

Wheat	11,646 long tons
Flour (5750 tons)	6,778 long tons
(Conversion at 85 percent wheat in flour)	
Total	18,424 long tons

The above information is based on cables subsequent to Mrs. Oliver's last conversation with Mr. Bull and which was not noted in the letter to Mr. Bull from Mr. Chadbourn." End quote.

On the basis of this information, it will now be in order for Henry of the Mutual Aid Board to submit his account based upon figures to be furnished by Wilson. Henry is at present in Washington and has been provided with copies of the letter quoted above and this teletype. Ends.

PARTIE 4/PART 4
APPROVISIONNEMENTS CIVILS POUR L'ITALIE
CIVILIAN SUPPLIES FOR ITALY

1269. DEA/8799-40

Le sous-ministre des Finances au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Finance to Under-Secretary of State for External Affairs

Ottawa, February 21, 1945

Dear Mr. Robertson,

I wish to acknowledge receipt of material† forwarded this Department on December 22nd, January 2nd, January 5th, January 12th and January 15th,† regarding the furnishing of civilian supplies to Italy and bringing up the question of means of financing such shipments as are outside the scheme of Military Relief.

I understand Mr. Bryce has furnished Mr. Angus with figures on the amount of the Canadian obligation accrued in respect of Allied military lire obtained for the pay of Canadian troops in Italy, and has indicated verbally to your Department and the Department of Trade and Commerce that they might consider the possibility of Italy being able to obtain Canadian dollars to meet the cost of essential purchases in Canada as a charge against the obligations assumed by Canada in respect of these lire. We have been holding such obligation as an offset against any claims which we may have on Italy.

This question has been discussed with the Minister of Finance, who feels that it involves sufficiently important implications, particularly in respect of general principles of dealing with ex-enemy countries, to justify reference to the War Committee. I believe Mr. Bryce has already communicated this view to Mr. English, of the Department of Trade and Commerce, who raised the question recently in connection with a meeting being held in Washington to discuss the programming of civilian supplies for Italy.

I would suggest that either the Department of Trade and Commerce or the Department of External Affairs should prepare a recommendation on this matter, which would be communicated to this Department and placed before the War Committee of Cabinet at an early convenient date.[211] Our view here is that funds should only be furnished to Italy to procure in Canada supplies the furnishing of which can be justified on important social and military grounds, or in order to build up a post-war trade of importance to Canada. Supplies in general are sufficiently short and there are sufficient strains upon our manpower and financing, that we should not seek to facilitate trade now which cannot be justified for either of the reasons indicated above. I do not think we should facilitate trade the only justification for which is that it is in the immediate interests of certain Canadian exporters.

Yours very truly,

W. C. CLARK

1270. DEA/6520-40

Le troisième secrétaire, l'ambassade aux États-Unis, à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Third Secretary, Embassy in United States, to Special Wartime Assistant to Under-Secretary of State for External Affairs

Washington, March 24, 1945

Dear Mr. Angus,

With reference to our earlier correspondence† concerning possible arrangements for enabling the Italian Government to finance procurement of supplies in Canada, I am now enclosing three copies of a memorandum prepared in the Italian Division of F.E.A.† and submitted to CLAC(S) earlier this week. This memorandum outlines the facilities available and the procedures which have been adopted for procurement in the U.S., U.K. and Canada of civilian supplies for Italy. The memorandum distinguishes between Category 'A' supplies for which the military are responsible and category 'B' supplies required for the rehabilitation of Italian industries and for essential civilian supply beyond the military responsibility. In the provision of Category

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[211] Aucune recommendation de ce genre ne fut trouvée.
No such recommendation was located.

'A' supplies we are already participating through our military relief arrangements. In the case of Category 'B' supplies, however, the memorandum reports (page 3) that no funds are at present available for the financing of such supplies from Canada. To the best of our knowledge this memorandum correctly states the position with respect to procurement of supplies from Canada. If Canada is to participate (for commercial or other reasons) in the rehabilitation of Italian industry or in the programs for supplementing civilian supplies brought in by the military, the time has clearly arrived for the making of whatever arrangements the Canadian authorities consider desirable and for the notification of these arrangements to CLAC(S), the Allied Commission and presumably the Italian Government.

I think you will find this memorandum helpful as a statement of the nature of the facilities which have been made available by the U.S. and U.K. authorities for enabling the Italian Government to finance such procurement in those countries.

It is intended that this memorandum shall be transmitted to the Allied Commission for guidance as soon as it is approved by CLAC(S). If, therefore, the Italian Government (through the Allied Commission) is to be informed of the arrangements for procuring supplies from Canada it is essential that we be provided with a statement of the changes necessary in this memorandum to take account of any decisions which the Canadian Government has made, or may make, to permit the use of Canada as a source of imports. If this information is not received in time for incorporation into this memorandum we shall not be in a position to participate in the extensive supply programs which the Allied Commission is submitting.

The interested Canadian officials in Washington will be discussing these arrangements within the next few days and may have some suggestions to make but we feel that the decisions in Ottawa should certainly not be delayed until our suggestions are received as clearly any suggestion which we may make will relate more to procedure than to policy.

Yours sincerely,

A. E. RITCHIE

1271. DEA/8799-40

Mémorandum de la direction économique[212] au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Economic Division[212] to Under-Secretary of State for External Affairs.

Ottawa, March 25, 1945

NON-MILITARY SUPPLIES FOR ITALY

A procedure has been developed for handling Italian essential imports other than those furnished by the military. The requisitions covered are those

[212]Dorothy Burwash.

submitted by the Italian Government with the approval of the Allied Commission and thence forwarded to the Combined Liberated Areas Committee and those rejected by the Combined Civil Affairs Committee and forwarded by them to CLAC.

These goods are outside military relief and the financing of their purchase accordingly outside the scope of the tripartite agreement regarding costs of military relief.

Before Canada can accept recommendations as a source of supply, it will, therefore, be necessary to determine how the exports of such goods should be financed.

The United States Government proposes to finance them out of troop pay, returns from Italian exports, and personal remittances. The United Kingdom, for the time being at least, will carry them as a book memorandum.

The Department of Finance has indicated that the military lire account for pay advanced to Canadian troops, which on December 31, 1944, amounted to 837,835,227 lire ($9,362,808.66) could be utilized to finance the exports of these goods to Italy and recommends that if it is so made available it should be for supplies whose export could be justified on military or social grounds.

The Department of Trade and Commerce agrees with the above opinion, but in the absence of up-to-date commercial intelligence it does not venture any recommendations as to which of the commodities in long supply here are particularly required by Italy. The Department refers to its proposal that Colonel Cosgrave[213] might be transferred from Australia to Italy as a military officer with special instructions to investigate and report on commercial matters.

With regard to the Trade and Commerce comments it does not appear that the question of determining Italian needs on the one hand and Canadian possibilities on the other, should alarm us, since the machinery of Combined Boards, Combined Committees, etc., may be expected to handle the problem satisfactorily.

It is suggested that a submission regarding the financing of non-military supplies for Italy out of the Candian military lire account be prepared for the War Committee at an early date, since allocations cannot be accepted on behalf of Canada in Washington until a decision on the matter has been reached.

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[213] Attaché militaire, le haut commissariat en Australie.
Military Attaché, High Commission in Australia.

1272. DEA/8799-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-1234 Ottawa, April 3, 1945

SECRET. Your letter of March 24 regarding methods of financing procurement by the Italian Government of supplies in Canada.

Canada's position is different from that of the United States and the United Kingdom in that accruals to her Allied military lire account have now ceased owing to the withdrawal of Canadian troops from Italy. This account stood at about $10,000,000 as of February 28, 1945. The total of Italian assets held by the Custodian as of November 30, 1944, amounts to about $7,500,000. We are not anxious to make any firm or continuing commitments against these sums since we do not yet know the total of Canadian claims that will be filed with the Custodian. Advertisements for claims have not yet been issued but those voluntarily filed as of November 7, 1944, amounted to about $5,500,000.

There is therefore a very limited credit for the financing of supplies for Italy and we should prefer to consider requests for goods which may be needed for social, humanitarian or pressing economic reasons on an *ad hoc* basis, with a view to ensuring that any limited credits available may be put to the best possible use. This position may be modified if we find any alternative method of financing procurement. Ends.

1273. DEA/6520-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 895 Washington, April 5, 1945

Sir,

I have the honour to refer to my despatch no. 386 of February 12th[†] transmitting a copy of the new directive on Allied policy towards Italy.[†] That directive had included an economic section providing for the preparation of a supply program designed to rehabilitate Italian industry. This program was to be in additon to the supplies which were to be provided as a military responsibility.

2. There has been a considerable amount of correspondence between this Embassy and the Department concerning possible arrangements for Canadian participation in this supply program. We have now received your teletype EX-1234 of April 3rd indicating that a very limited credit is available in Canada for the financing of supplies for Italy and advising us that you would "prefer to consider requests for goods which may be needed for social, humanitarian or

pressing economic reasons on an ad hoc basis, with a view to ensuring that any limited credits available may be put to the best possible use."

3. In order that the interested Departments of the Canadian Government might be informed of the extent and purpose of this supply program I am now enclosing a paper prepared by the Italian Government in collaboration with the Allied Commission on "The Program of Essential Italian Imports 1945."† This report contains a letter from Prime Minister Bonomi to the Chief Commissioner of the Allied Commission indicating that the program is accepted by the Italian Government as a proper charge upon its funds. The purpose of the program is to "attack" the three factors at present limiting production in Italy:

(a) transportation

(b) electric power

(c) imported production materials and equipment

4. The present report summarizes and discusses briefly the standards and levels of economic life implied in the program.

5. The individual requisitions comprising this program have now been received in Washington and are being classified and assembled for consideration by the Operating Subcommittee of the Combined Liberated Areas Committee and by the supply authorities of the U.S., U.K. and Canadian Governments.

I have etc.

L. B. PEARSON

1274. DEA/8799-40

Le sous-ministre du Commerce au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Trade and Commerce to Secretary of State for External Affairs

Ottawa, April 25, 1945

I wish to refer to Mr. Pearson's despatch of April 5th, on the subject of Allied Policy towards Italy, a copy of which you so kindly supplied me.

It is noted that the proposed policy provides for the preparation of a supply programme designed to rehabilitate Italian industry apart from supplies to be provided as a military responsibility.

The officers in my Department directly interested in this phase of our export trade have given careful study to the programme of essential Italian imports as prepared by the Italian Government in collaboration with the Allied Commission. Under the three main headings for which supplies will be required to assist Italian industry, we find that there are many commodities which Canada might supply not only as a relief measure, but as a means of introducing Canada as a source of supply and Canadian manufacturers to a postwar market. I am informed that the requisitions covering this program have been received in Washington for screening by the supply authorities of the

U.K., U.S. and Canadian Governments. We may possibly find ourselves ignored as suppliers unless the Italian Government is, by one means or another, placed in funds.

This prompts me to refer to my memorandum of March 31st† on the subject of making available, for the procurement of civilian goods in Canada for Italy, the funds which have accrued on account of the Canadian troops in Italy. I believe the conclusion was reached by your Department that because of the necessity of earmarking a substantial proportion of these accruals to cover possible indemnity claims, it would be impractical to make available for trade purposes any more than say, $5,500,000. Moreover, I understand that the provision of even this amount was regarded with some doubt in view of possible additional claims against Italy. While it is appreciated that such a sum would be insignificant, in comparison with the total requirements for trade purposes, nevertheless, we feel that unless some funds are placed at the disposal of the Italian Government for the purchase of Canadian goods at this time, there may be danger of Canada being completely overlooked as a supplying country.

Even if circumstances make it possible to provide at this time as little as $2,000,000 or $3,000,000, we are of the opinion that it would be desirable, in the interests of Italian rehabilitation and of the recommencement of our trade relations with Italy, to make some funds available. It is our belief that to leave this matter on an ad hoc basis would be most unsatisfactory and would probably result in Canadian exporters and importers being denied an opportunity of re-engaging in trade with Italy for some considerable time.

I would appreciate it, therefore, if some reconsideration could be given to this matter and if you agree, in a recommendation being made to Council along the lines indicated above.[214]

Yours faithfully,

M. W. MACKENZIE

1275. DEA/8799-40

Le chargé d'affaires aux États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States to Secretary of State for External Affairs

TELETYPE WA-3978 Washington, July 28, 1945

SECRET. Your EX-1234 of April 3rd and related communications regarding methods of financing procurement in Canada of supplies for Italy outside military relief.

The following is an outline of our understanding of the present Canadian position:

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[214]Aucune recommendation de ce genre ne fut trouvée.
No such recommendation was located.

(a) The procedures for seeking Canadian advice on supply availabilities and for initiating procurement have been established. (See letter No. 34413 of January 2nd from the Acting Deputy Minister of Trade and Commerce to the Under-Secretary of State for External Affairs;† and paper CLAC(S) 18/2† enclosed with Ritchie's letter of April 19th to Angus.)†

(b) The program of Italian requirements has been submitted to the Canadian departments concerned (see our despatch No. 895 of April 5th to External Affairs and subsequent related communications to Trade and Commerce).†

(c) Advices have been received by the Commercial Counsellor of this Embassy from the appropriate authorities in Ottawa as to the availability of certain supplies in Canada, subject in some cases to Combined Board consideration.

(d) The amount of funds available for the purchase in Canada of supplies for Italy outside military relief, and the precise method for financing such purchases remain undetermined apart from the indication in EX-1234 that "there is a very limited credit for the financing of supplies for Italy and we should prefer to consider requests for goods which may be needed for social humanitarian and pressing economic reasons on an ad hoc basis with a view to ensuring that any supplies available will be put to the best possible use."

(e) In Combined Board operations there would appear to be some reason for reluctance in showing Canada as the sole source of supply for a particular item on the basis of known availability in Canada since for financial reasons it may develop that Canada is unable to supply and the Italians may therefore be deprived of an essential commodity which might have been secured elsewhere.

(f) The Italian authorities and the Allied Commission remain apparently unable to secure supplies from Canada even though the valid urgent Italian requirements and the probable availabilities from Canada are known to the Canadian authorities.

We have been approached informally by Sacerdoti, head of the Italian Technical Delegation in Washington, and the Commercial and Supply representatives of the Italian Embassy who wished to enquire whether there was anything that they could do to facilitate the procurement of supplies from Canada. They referred to the urgent need for certain supplies to be loaded in September and the last quarter of the year. They outlined the limited facilities available to them for procurement in the United States and United Kingdom (on which you were advised in considerable detail in the enclosure which accompanied our despatch No. 1817 of July 24).† They mentioned that up to the present, to the best of their knowledge, none of the funds available to them in the United States could be used for procurement in third countries and similarly none of the United Kingdom funds could be used outside the United Kingdom and Colonies. They expressed an interest in knowing what, if anything, Canada proposed to do concerning troop pay equivalent, but we refrained from giving them any indication of possible developments in Canadian policy on this point. They indicated that at some stage their Government would probably wish to discuss with the Canadian authorities

possible arrangements for commercial credits. They did not raise the question of drawing on any balance of Italian assets which might become unfrozen and be made available to them.

We appreciate the fact that obstacles remain in the way of direct formal discussion between representatives of the Canadian and Italian Governments at this stage. It is our understanding from the documents transmitted with our despatch No. 386 of February 12,† despatch No. 1292 of May 23rd,† and despatch No. 1624 of June 30th† that it would be appropriate in the absence of direct diplomatic relations for a representative of the Allied Commission to discuss these matters with the Canadian authorities. As Mr. Harlan Cleveland, Executive Director of the Economic Section in the Allied Commission, is expected back in Washington for a few weeks upon completion of the U.N.R.R.A. Council meeting before going on to Rome, it occurs to us that you might wish to consider the desirability and feasibility of inviting him to visit Ottawa and discuss the financial arrangements with you if they have not been settled by that time. In the meantime, or at the same time, it might be useful, if proper, for Mr. Ortona (who was an active member of the original Quintiero-Mattioli Mission which worked out financial arrangements with this country prior to United States recognition of the Italian Government and who has remained in Washington at the Italian Embassy) to go to Ottawa to discuss even informally possible financial arrangements and you might wish him to bring with him Mr. Sacerdoti to explain the technical details and urgency of the Italian non-military relief requirements. In the event that you consider it useful to have Cleveland or any of the Italian Officials visit Ottawa it would be desirable to give them as much notice as possible to enable them to get approval and guidance from the Allied Commission or from Rome before proceeding to Ottawa.

In venturing these informal suggestions for your consideration we recognize that there may be insuperable obstacles in the way of such discussions, or that such discussions may be unnecessary particularly if the deliberation in Ottawa on financial arrangements is already proceeding satisfactorily. Nevertheless we have thought it desirable to draw your attention to the presence of these officials in Washington in case you might feel that consultation with them would be feasible and would be of assistance in the consideration of this 0omewhat urgent problem in Ottawa.

Finally it might be remarked that the success of the Allied Commission and the Italian Government in securing supplies required under the category B or non-military relief program has a significant bearing on requests which will be made to Canada and other contributing countries for the continued provision of basis relief supplies to Italy through military relief, UNRRA, or other civilian channels. The category B program is, as you know, designed to restore the Italian economy to the extent necessary to reduce and finally eliminate the need for basic civilian relief from outside sources.

1276. DEA/8799-40

Le sous-ministre du Commerce au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Trade and Commerce to Under-Secretary of State for External Affairs

Ottawa, August 11, 1945

I refer to your letter of August 1st† and attached teletype No. WA-3978 respecting relief supplies for Italy.

With regard to the proposed visit of certain Italian officials and Mr. Harlan Cleveland, Executive Director of the Economic Section in the Allied Commission, we see no objection in principle. However, we do feel that perhaps it would be advisable before making definite arrangements for such a visit to obtain more precise information as to the nature of the procurement or other difficulties now being encountered and any specific proposals the Italians intend to suggest.

The question of relief for Italy has so far been the joint responsibility of Canada and the other Western Allies. We would not want to take any action that would imply acceptance by Canada of any increased share of responsibility in this regard though we do not wish to avoid any that now devolves upon us or to refrain from taking a proper share in what must be done for Italy.

We notice that the despatch from Washington was dated July 28 and although we have not had definite word we understand that since that time the commission has withdrawn from the field of foreign trade which now comes under the jurisdiction of the Italian Government. This might have some bearing on the nature of the discussions.

As you know we are desirous of having some trade representation in Italy as soon as possible, but have not yet been able to get a trade commissioner into Italy since the war. The whole subject of resumption of private trade with Italy is obscure and we should like to obtain further light upon it. Would the proposed delegation be able to contribute any such light?

There are some commodities (viz. cherries in brine and raw silk) which Canadian importers are desirous of importing from Italy. We have not yet been able to ascertain whether they are available, from whom, on what terms, and how transactions can be concluded. We are not in a position to answer many such questions that are now beginning to be asked of us.

M. W. MACKENZIE

1277. DEA/8799-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3004 Ottawa, August 17, 1945

Your WA-3978 July 28th. Financing procurement of non-military relief supplies for Italy.

We are interested in exploring further the situation with regard to procurement of non-military relief supplies for Italy, and before seeing the Italians themselves should be glad to talk the problem over with Harlan Cleveland. Will you ascertain whether it would be possible for him to pay a brief visit to Ottawa on his return from UNRRA meetings?

1278. DEA/8799-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 2244 Washington, September 19, 1945

Sir,

I have the honour to refer to my teletype WA-3978 of July 28th and related communications regarding possible methods of financing procurement in Canada of supplies for Italy under the so-called 'Category B' or Transitional Program distinct from, but designed to supplement, the basic relief program.

2. I am enclosing three copies of the informal report which Mr. Harlan Cleveland, Executive Director, Economic Section, Allied Commission, Rome, has made to Mr. Hunt, Chief, Italian Division, Foreign Economic Administration, on his discussions of this and related subjects with officials of the Canadian Government on September 4th and 5th. I think that this report will be of some interest to a number of the Departments concerned, particularly as an indication of the interpretation of the Canadian position which is prevalent in Washington. I should perhaps say that copies of Mr. Cleveland's report were made available by his office to the State Department, the Allied Commission, the Chief of the UNRRA Mission to Italy, and to the U.K. Embassy in Washington.

3. It will be noted from Mr. Cleveland's covering letter that he would appreciate information on developments in the field covered by this report and particularly on the results of the meeting referred to in paragraph 10. Since this letter was received a number of oral enquiries have been addressed to us for information concerning any decisions taken at that meeting of the External Trade Advisory Committee. In order that we might be able to provide appropriate answers to these enquiries and to the other enquiries reported in

our teletype WA-3978 of July 28th, we should be grateful to receive any information which you can give to us at this time.

I have etc.

L. B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Le directeur exécutif, la section économique, la Commission alliée, Rome, au troisième secrétaire, l'ambassade aux États-Unis

Executive Director, Economic Section, Allied Commission, Rome, to Third Secretary, Embassy in United States

Washington, September 10, 1945

Dear Mr. Ritchie,

Attached is a copy of my informal report on my visit to Ottawa.

I would appreciate it if you would keep me informed of the results of the meeting referred to in Paragraph 10, and other developments in the field covered by this report.

Sincerely yours,

HARLAN CLEVELAND

[ANNEXE À LA PIÈCE JOINTE/SUB-ENCLOSURE]

Le directeur exécutif, la section économique, la Commission alliée, Rome, au chef, la direction italienne, l'Administration économique à l'étranger

Executive Director, Economic Section, Allied Commission, Rome, to Chief, Italian Division, Foreign Economic Administration

Ottawa, September 5, 1945

SUBJECT: LETTER FROM OTTAWA NO. 1 (AND ONLY)

Dear Ed [Hunt],

I have spent yesterday and today discussing with officials of the Canadian Government supply and economic questions relating to Italy. These discussions are summarized in the following paragraphs:

1. After checking in at the U.S. Embassy, my first meeting was with Sidney Pierce, Chief of the Economic Division of the Department of External Affairs; it was he who had cabled to London asking that I return to Washington via Ottawa. With him were Miss Burwash of his Division, Mr. G. P. Glazebrook, Chief of the 2nd Political Division (Europe), Mr. C. S. A. Ritchie, Chief of the 1st Political Division (International Affairs), and Mr. G. Ignatieff, a member of Mr. Ritchie's Division. The discussion turned into a rather detailed explanation, in reply to questions, of the whole history and setup of the Allied Commission and the military government operation in Italy. It appeared to be

the first time that the group had received any first-hand report on the situation or organizational relationship in Italy.

2. Yesterday afternoon and today I had meetings with Mr. C. M. Croft, Director of the Commercial Intelligence Service of the Trade and Commerce Department, and members of his staff—including Mr. John English, in charge of Export Planning, and Mr. R. T. Young, who handles their work on Italy. Mr. Young was not only familiar with our various programs, but seemed to understand the distinction between and among them—which reinforces my opinion that while our business has become rather complicated, a person who really goes through all the papers should know what is happening even without oral explanations. Later in the afternoon I met with Mr. Karl C. Fraser, Director of Administration, Canadian Mutual Defense Board. (This Board is composed of the Ministers of Reconstruction and Supply, National Defense, Finance, Agriculture, and Justice, and corresponds roughly to FEA. Mr. Fraser is what we would call "Executive Director"—similar to the position Milo Perkins had in BEW.[215] Like FEA, it administers both the Mutual Aid money and the Canadian contribution to UNRRA; unlike its U.S. counterpart, it also has been responsible for the military relief program from the start. It is a programming and check-signing agency, working through the regular procurement services of the Government just as FEA does.) Today I had a further talk with Mr. Pierce, and Mr. Bryce of the Department of Finance, on the money problems.

Program of Basic Supplies—Financial Problems

3. For some time, the Canadians have been quite clear, and they emphasized again yesterday, that they have only two methods of financing relief supplies to Italy or anywhere else; through authorizations for military relief or through UNRRA. Italy presents a difficult problem, of course, because there is a hiatus period in which (at least as far as the U.S. is concerned) a third method is required. The Canadian proposal for handling this problem is roughly this: for September loadings, they would carry their five percent of the loss by stretching the military relief concept for an additional month. Beginning October 1, they would charge the cost of any Canadian supplies to their UNRRA appropriation. Mr. Fraser, who is the official most directly responsible for the funds involved, emphasized that even a month of stretching military relief would necessitate his going back on a commitment which had already been made to the Cabinet: namely, that the military relief program was ending with August 1945 loadings. (He has ordered all shipments on military relief account frozen as of August 31, and anything that had not actually been shipped by that date will not be sent at all under his present ruling.)

4. As you know, the British have taken a similar position on the financial problems, although they have indicated their willingness to stretch military relief until UNRRA signs a new agreement with the Italian Government,

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[215]Board of Economic Warfare.

which would probably mean stretching it for a couple of months rather than one month.

5. I have explained, both in London and in Ottawa, that use of the UNRRA fund to finance retroactively the supplies furnished to Italy during the interim period (September-December, 1945) would (a) be objected to in principle on the theory that UNRRA should not become just a financing device; and (b) would have the effect of reducing the total amount of funds available in the U.S. for European relief, since it would use up United States UNRRA funds unnecessarily and would render unavailable a considerable part of the $100,000,000 already authorized for interim relief to Italy.

6. I do not believe that we can go on much longer with the endless negotiations on this question. I think that we and the British and the Canadians should now agree to disagree: i.e., we will run a combined CLAC supply program to Italy for the four-month period in question, the U.S. will use the FEA $100 million, and the British and Canadians will use whatever funds they care to use. If they agree with our point of view, it makes political problems for them which are far more serious than the relatively small amounts of money involved in the U.K. and Canadian shares of this interim program; on the other hand, if we go along with them, we throw away money which we are already authorized to use for this particular purpose. If we go our separate ways the financial problems will not (as they are doing now) inhibit the continuing flow of basic supplies to Italy.

Program of Basic Supplies—Supply Problems

7. After looking into the availabilities of Canadian supplies against the Basic program, I am beginning to wonder if the financial problems are not a little academic anyway. The unanimous opinion of the people I have talked to (including Mr. Calder who handles wheat in the Department of Trade and Commerce) is that Canada has so many commitments and such a relatively small supply of wheat this year that it will be quite impossible to ship any wheat during September and even shipments after that are highly doubtful. For September even the two or three cargoes which had been mentioned as a possibility in Washington seem to be out. They are going to look immediately into the possibilities of shipping wheat thereafter (at a rate of at least 20,000 tons a month, or 80,000 before the end of the year), but the tone of the discussions on the subject was not encouraging. I find it difficult to believe that with a prospective crop of around 300 million bushels and a carryover of 258 million bushels, Canada is really as short of wheat as had been indicated; but a determination on how to approach them on this question must await a review of their total supply and the commitments against it, by somebody competent in the field. We should I think follow this up in Washington as soon as possible.

8. I explored briefly the possibility of a Canadian contribution toward meeting Italy's monthly requirements of a little more than 3,000 tons of dried salted fish. However, it appears that the entire Canadian allocation of dried salted fish for "relief" destinations (i.e., UNRRA and the paying countries) amounts to 3,000,000 pounds for the "fish year" starting in July—which is just

half of Italy's requirements for a single month. Mr. Gilbert, the Trade and Commerce Department's expert on these matters, said that we would have better luck drawing on Newfoundland's supply, since that source was expected to make available for relief purposes 24,000,000 pounds during the same period. Also, it may be that Italy could come into the picture when the allocations of *canned* fish for relief purposes are divided up among countries by the Fish Committee of the Combined Food Board, sometime next week. These allocations are: from Canada, 14,300,000 pounds, from the U.S. 26,000,000 pounds.

9. The possibility of Canada supplying farm machinery to Italy rests on two factors: whether some method can be found to finance its purchase, and whether the orders get in soon enough—during the next month or so. Unless the U.K. deliveries are cut back as a result of the termination of the Mutual Aid Program (there are rumors that they may be), the manufacturers' order books will be filled up within a relatively short time. Though tractors are not produced in Canada, the supply of grain binders, plows, and spare parts might be feasible. Supply of machinery from the Massey-Harris plant in France might also be looked into. However, nothing can be done on this until the financial questions, on either the Basic Program or the Category B program, have been settled definitely and it is known whether or not there is any money available for the purchase of supplies in Canada. (Incidentally, their farm machinery man, Mr. McLeod, says that UNRRA may miss out on its farm machinery too, unless they come up very soon with either (a) firm orders, or (b) commitments that when the new 1% is appropriated to UNRRA by the Canadian Parliament firm orders will immediately be placed for specified quantities and types of machinery. Since such an action would commit only the Canadian Government, and would be taken through the Canadian Government, there does not seem on the surface to be any reason why UNRRA should not do it.)

Category B Program.

10. Partly as a result of this visit, the question of financing Category B purchases is being raised this week in a concrete form. The Trade and Commerce Department had received the Transitional Program, 2nd Section (October-December 1945), and had investigated possible Canadian availabilities of the materials requested. The result is the attached list (Appendix 'A')[†] which indicates what might be supplied from Canada against this program. The estimated cost of all these materials is 2½ to 3 million Canadian dollars. Tomorrow the Export Trade Advisory Committee is to meet and consider whether these materials ought to be supplied and what financial arrangements would be involved. We will hear the result of this and subsequent meetings on this subject through the Canadian Embassy in Washington.

11. The financial picture is substantially as I stated it in my Progress Report No. 1 to the Allied Commission, dated 26 June 1945. The seized Italian assets amount to around $7½ million, and the troop pay conversion would amount to about $10 million. Satisfaction of Canadian claims against Italy (not counting the cost of military relief, which is assumed to be a dead loss) might use up the whole of this amount, but it is quite possible they wouldn't; therefore, without prejudice to the claims it might be possible to make available to Italy for current purchases of supplies some part of the troop pay equivalent. I explained in some detail the way in which our troop pay account was set up and administered, and if it is agreed to make some funds available in this way, the Canadian system would probably be analogous to ours. One thing is clear; if they do release the funds, the Canadian Government has no objection to doing the actual procurement on behalf of the Italians—they have the Canadian Export Board which is set up to do just that sort of procurement, and they are already doing it for several other European countries (I take it the procedure is comparable to our cash Lend-Lease transactions).

12. In addition to the conversations with the Canadian Government people, I have discussed these questions with Col. Bankhead, Mr. North, and Mr. Homer Fox, of the U.S. Embassy; Mr. Fox (whom I had met before in Rome as a member of the Culbertson Mission to the Mediterranean area)[216] sat in on most of the meetings with the External Affairs and Trade & Commerce Departments. I also spent a couple of hours with the Ambassador, Mr. Ray Atherton, going over the whole Italian picture—with which he was at one time very much concerned as Chief of the State Department's European Division.

Sincerely yours,

HARLAN CLEVELAND

1279. DEA/8799-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-3461 Ottawa, September 28, 1945

SECRET. Following for Ritchie from Pierce, Begins: Reference Harlan Cleveland's report on his discussions in Ottawa on subject of Italian Basic Supplies Programme.

The Department of Trade and Commerce examined the Category 'B' Programme and there are a number of items amounting to some two and one-half million dollars which Canada could supply. However, none of them gives

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[216] La mission Culbertson était la Mission économique spéciale des États-Unis en Afrique du Nord sous la direction de l'ambassadeur W. S. Culbertson, d'août 1944 à mars 1945.
The Culbertson Mission was the Special Economic Mission of the United States to North Africa headed by Ambassador W. S. Culbertson, August 1944 to March 1945.

prospect of a long-term or continuing trade. Hence there is little inducement for us to find ways and means of enabling the Italians to finance these purchases.

PARTIE 5/PART 5

DISPONIBILITÉ ET EXPÉDITION D'APPROVISIONNEMENTS AVAILABILITY AND SHIPMENT OF SUPPLIES

1280. DEA/186s

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-6986 Washington, December 15, 1944

IMMEDIATE. Following for Robertson from Pearson, Begins: You may have seen from the press that Law[217] is arriving in Washington over the week-end primarily to discuss relief supplies for the liberated areas of France, Belgium, Holland and Greece. The British are extremely worried about the difficulties in getting in any civilian supplies and attribute much of the current European unrest to that fact. They feel also that the main difficulty is American reluctance to devote any shipping to European relief purposes at the expense of Pacific operation. The British think that a short delay in Pacific operations would not be of any great importance but that the shipping thereby released could be used for bringing in civilian supplies, and that this would make all the difference to Europe both now and in the post-war period. During Law's visit, I may be brought into conversations on relief supply matters and hope that you will agree that I should support any reasonable proposal to relieve the European situation by getting in more supplies.

Of course, I appreciate the sensitiveness of the United States about proposals of this kind, and how essential it is that they should be reasonable themselves and that any support by us for them should be carefully expressed. Nevertheless I feel that the British position on this matter, which is supported by the European Governments, is the right one and I think it deserves support. Ends.

[217] Ministre d'État de Grande-Bretagne.
Minister of State of Great Britain.

1281. DEA/186s

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-4960 Ottawa, December 16, 1944

Following for Pearson from Angus, Begins: Your WA-6986 of December 15th, relief supplies for liberated areas. The subject which Law is to discuss in Washington is one of very great importance and I agree with you that relief supplies for liberated areas in Europe should receive a very high priority. It is, no doubt, difficult to compare the urgency of this situation with that of military operations in the Pacific. Because it is difficult to forecast, with precision, the political consequences of additional civilian supplies furnished to the liberated areas by the diversion of shipping, the question appears to me to be intimately related to that of finding adequate quantities of those physical supplies which are most needed - a question which is coming before the Combined Boards very shortly in the case of sugar and meat. I hope to be able to deal with this whole question in an early despatch.

For various reasons Canada can play a very important part in the discussions. The United Kingdom is handicapped, partly by the suspicion that it may be tempted to give too much emphasis to the European problems close at hand and partly by the stockpiles of certain commodities which have been accumulated in the United Kingdom. These stockpiles have in the past been considered as reserves against intensive submarine blockade and against bombing. Happily at the moment both of these contingencies seem more remote than they were but it is very understandable that the United Kingdom should wish to keep important reserves against two other related contingencies. The first is an urgent demand on the continent of Europe which it may be necessary to meet in order to avoid political chaos there. The second is profound dissatisfaction in the United Kingdom itself with the continuance of the restricted diet imposed in wartime.

The discussion between the United Kingdom and the United States may, therefore, raise very easily the question of the comparative hardships in the two countries. Canada, however, is not expected to make much greater sacrifices than those which are acceptable in the United States itself and, therefore, we are not open to the same degree of reproach if we advocate measures designed to relieve the situation in Europe. It is, however, important to consider how far we are prepared to go in making sacrifices ourselves, provided that the United States make similar sacrifices. This is the subject which I hope to deal with in the despatch which I have in mind. Ends.

1282. DEA/186s

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

DESPATCH 1819 Ottawa, December 18, 1944

Sir,

I have the honour to refer to teletype WA-6986 of December 15th concerning the visit of the Right Honourable Richard Law to Washington to discuss relief supplies for the liberated areas of France, Belgium, Holland and Greece. An immediate reply has been sent by teletype. The object of this despatch is to give a more detailed statement of the Canadian position.

2. The importance of this question is fully appreciated. A continued shortage of food, of clothing and of other civilian supplies in areas which have been liberated may have the most serious political consequences. The expectations of the liberated populations have been aroused. They are often conscious of having themselves made heroic efforts to drive out the enemy. They are welcoming troops who are well equipped and well fed. The moment is not one in which it is easy to call upon them to reduce the scale of living which they have been able to maintain during the period of enemy occupation. Countries which are themselves experiencing some degree of war weariness, although they have not actually been invaded, are not in a strong moral position for making such an appeal. This point may be put somewhat differently if we consider the populations of the liberated areas as partners in a general war against Germany and Japan. We may appear to be calling upon them for sacrifices in day-to-day life utterly disproportionate to those which the civilian populations of the United States or Canada are making or are prepared to make.

3. Nothing could be more serious than political disturbances approaching the character of civil war in liberated areas. While these disturbances may often be superficially of a political ideological character, one of the basic conditions which promotes their development is the inability of any Government, whatever its political complexion, to provide for the immediate needs of the people in food and clothing. Once a conflict starts it is extremely difficult to settle and while it is in progress the statements which are made about it, whether true or untrue, may have serious political repercussions within each of the principal Allied countries and may affect their relations with one another. It is hardly necessary to emphasize how serious such developments may be in impeding those peaceful political settlements which are essential if a lasting peace is to be secured which will maintain the values for which such great sacrifices have already been made in the course of the war.

4. This general situation has found expression in two inter-related problems. The first, as indicated in the teletype under reference, concerns transportation; the second concerns physical supplies. The first of these problems has the

greater immediate urgency because in many cases, particularly in the case of meat, physical supplies are being provided up to the limit for which transportation is available without impinging seriously on civilian consumption. The second problem, however, will become one of equal urgency as soon as shipping space is released because military supplies for Europe will cease to have their present importance. When plans are under consideration which cover the provision of food supplies for the year 1945 and perhaps the year 1946, the question is bound to arise whether or not the United States and Canada are prepared to lower their standards of civilian consumption in order to meet the needs of Europe. The question has already arisen with respect to sugar and has been under consideration here by the Food Requirements Committee which has given instructions to the Canadian executive officer of the Combined Food Board. It appears probable that a similar issue will arise in the case of meat, as the Canadian authorities have before them at the present time a Combined Food Board allocation for 50,000 tons, together with the U.S.S.R. requirement of a similar amount and with the United Kingdom demand for increased shipments. It would seem to me convenient that these two related problems should be considered at the same time.

5. It is not easy to persuade people to face these problems in advance because there may be some scepticism as to the intensity to which they will arise in practice. Another difficulty is that any country which is called on for an immediate sacrifice has no difficulty in pointing to some corresponding sacrifice in another country which should, in its view, take precedence over that which it is asked to make. The United Kingdom, for example, is vulnerable in maintaining large stockpiles and by the time an explanation has been given of the purpose of these stockpiles and of the reductions which the United Kingdom are willing to make, that country has been thrown on the defensive in any discussion. Canada is similarly vulnerable as a high per capita consumer of butter and meat, particularly as during the last six months the nominal Canadian butter ration has been maintained at 8 ounces a week, although in practice it has been cut to 7. For the first few months of 1945 it will be cut to 6, but again it is possible that in practice the cut may be for a longer period. In other words, our practice has been to minimize rather than to emphasize the sacrifices which civilians are called on to make for the purpose of meeting wartime demands and relief demands. The United States, in turn, is vulnerable because it has not always made its nominal allocation effective as, for instance, in the case of sugar and because it maintains a higher military ration than its Allies. The position of the United Kingdom is also weakened in discussion by the fact that it is considered politically necessary to increase some rations at a time when other countries may be asked to reduce them.

6. In Canada the policy of minimizing sacrifices may have to be superseded by the policy of emphasizing them. Canada's population is small and the contribution to the general supply situation which can be made by sacrifices in Canada is, therefore, also small. It may be the moral effect of making sacrifices which will carry most weight both in inducing other countries to follow the same course, and in making it clear to the liberated areas that

everything possible is being done to meet their desperate needs. It is largely for these reasons that it would not be easy to place before the Canadian Government a programme calling for drastic sacrifices. This could only be done if an authoritative statement were forthcoming, showing that these sacrifices were essential as may well be the case, if not to success in the war, at least to the prospect of securing many of the important objectives for which we have been fighting. The second condition would be that corresponding sacrifices should be forthcoming from the United States and from the United Kingdom. It is probable that the situation in the United States is somewhat similar, although, of course, its people have undergone only three years of wartime shortages as against five years in Canada and the United Kingdom. The United Kingdom, in turn, may be able to forgo an increase in its rations but it can only be expected to do so if the people can be assured that the sacrifices which the United Kingdom has made and is making in the matter of civilian consumption are likely to have a genuine counterpart in the United States and in Canada.

7. The considerations set out in the foregoing paragraphs have been brought together in order to suggest that any real achievement with regard to the supply situation for relief purposes in 1945 will require a thorough-going agreement among the three countries most concerned, although this agreement may be of an informal character. I feel that it would be a great mistake to place any proposals before the Canadian Government which are of a piecemeal character. There is a very big issue to be faced and a correspondingly strong case should be prepared if we are to face it. The position with regard to sugar is peculiar because a substantial and easily-justifiable reduction of consumption in the United States could meet those requirements for which it is expected that shipping can be provided in the course of 1945. The position with respect to meat is one of greater difficulty. Large supplies can be obtained in one way only, namely, by a reduction in United States consumption. There is, however, some reason to suppose that the Canadian per capita consumption of meat is higher than that of the United States and, although a reduction in Canada's per capita consumption can only have a very small effect on the general supply position because of Canada's small population, nevertheless, such a reduction would have to be faced if the United States were expected to take drastic action. Any reduction in Canada's consumption of meat would require a political decision at a very high level and the case for such a decision would have to be of overwhelming strength.

8. It is for these reasons that I consider Mr. Law's visit of very great importance and consider that it may well be that the time is ripe in Washington for facing a very important question and making very important decisions. It would be appreciated, therefore, if you will keep me fully informed of the progress of the discussions particularly of the disposition of the United States authorities to take effective action. You will naturally wish to know how far you can go in stating or assuming that Canada is willing to make substantial sacrifices which, to be of importance, cannot be merely financial but must take the form of forgoing actual physical supplies of food and clothing. It is,

however, not possible to give a more precise answer to this question than has already been given by implication. A very strong case would have to be made for submission to the Canadian Government. There would have to be indications that the United Kingdom and the United States were showing full awareness of the gravity of the situation and were prepared to meet it. It would also have to be shown that parallel action by Canada was necessary in order to secure the full co-operation of the United States.

I have etc.

W. L. MACKENZIE KING

1283. DEA/186s

Le ministre, l'ambassade aux États-Unis, au sous-secrétaire d'État aux Affaires extérieures

Minister, Embassy in United States, to Under-Secretary of State for External Affairs

Washington, December 18, 1944

Dear Mr. Robertson,

I mentioned in my teletype WA-6986 of December 15th that the Under-Secretary for Foreign Affairs, Mr. R. K. Law was arriving in Washington over the week-end to discuss with the United States authorities ways and means of getting relief supplies into Europe. Mr. Law has arrived and I saw him yesterday and again today at luncheon at my home. He is accompanied by Coulson of the Foreign Office, Stopford of the Treasury, and I think one other official. They are very concerned over their inability to convince the United States authorities that it is of vital importance, not only for the immediate conduct of the war, but for the successful organization of the peace, that relief supplies and raw materials be got into Europe with the least possible delay in order to restore the economy of the countries concerned and put people to useful work. They feel that not only is action of this kind essential for military operations, but that it is even more essential from the point of view of post-war political stability. I have no doubt that this feeling is inspired somewhat by their present difficulties in Belgium and in Italy and in Greece. As I have stated before, I think the British thesis on this matter is a pretty sound one but there are very considerable difficulties in the way of carrying it into effect. These difficulties are both political and technical. The technical difficulty is the lack of shipping and congestion at the European ports. I asked Law today whether, if additional shipping could be spared, it would in fact mean that relief supplies could be got in, because they would naturally have to take second priority to military supplies, which already overtax harbour and inland transportation facilities. Law admitted that this difficulty would have been insuperable a few weeks ago, but thought the situation was now such that, if ships could be diverted, the supplies could be got to those who needed them. The Americans, however, are reluctant to divert shipping for this purpose because it might be at the expense of Pacific operations, and this is a matter

about which they are very touchy. My own view—and I have expressed it before—is that some diversion of shipping from the Pacific at this time would be very much worth while if it could be used for European relief purposes; that the postponement of the Pacific victory for a month or two is comparatively unimportant when compared with the long-range effect on Europe of disease, discontent, and undernourishment. Nothing could be worse than to have the liberated peoples feel they were better off materially under the Axis. In any case, Law himself thinks that enough shipping could possibly be secured without drawing on the Pacific pool, if the Americans were in fact convinced that shipping should be used for the purpose in question.

The political difficulty arises out of the fact that the Americans now will undoubtedly think that any move to rush in relief supplies for the purpose of alleviating political and economic unrest, will be interpreted in this country as a move to help the British out of their present difficulties in Greece and in Belgium; difficulties which many Americans think are of their own making. I mentioned this to Law, and he admitted the force of this argument.

Law has been here less than two days, but he is already very genuinely distressed at the feeling he has encountered against present British policy in Europe. As you know, he is far from being reactionary. He would have no sympathy whatever with a policy designed to restore reactionary regimes in Europe, but he sincerely believes that, while British tactics may have been wrong and their publicity deplorable, their fundamental policy has been right and that they have been guided only by war considerations. He pointed out, for instance, that the present Greek Prime Minister, who is being built up in the United States as the reactionary tool of British imperialism, is in fact a Socialist and anti-monarchist, whose views on political and economic questions, if expressed in this country in respect of United States institutions, would probably land him in jail.

Law, while not very optimistic, hopes that he will be able to work out some arrangements with the authorities here to get more relief supplies into Europe quickly. He also hopes that it may be possible for him in some way to explain the British position in these disputed matters. He has already seen Harry Hopkins, whom he found rather irritable and unhelpful. Hopkins' irritation, however, was due more to the attitude of the Senate toward his State Department protégés than it was to British policy in Greece or Italy or Belgium. However, his concern with this State Department trouble, I gather, made it difficult to arouse his interest over the relief supplies question. Law also hopes to see the President, though he is not sure whether this can be arranged.

Finally, he gave me a pessimistic account of the operations, or lack of operations, of UNRRA; to which I replied that the U.S. and U.K. Governments had done very little to make those operations more effective. He admitted that this might have been the case, but felt that if UNRRA had been

better handled from the beginning, they would have encountered a more sympathetic and co-operative attitude in London and in other places.

Yours sincerely,

L. B. PEARSON

1284. DEA/186s

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-7227 Washington, December 29, 1944

SECRET. Following for Robertson, Begins: Your despatch No. 1819 of December 18th and our earlier teletypes on the subject of Richard Law's discussions in Washington. We have told the appropriate United Kingdom officials informally of the proposal in your despatch, indicating at the same time the conditions which you attached to any action along these lines by the Canadian Government. Although Law's party have been experiencing considerable amount of difficulty in getting discussions started with the proper United States authorities, they have now succeeded in persuading Mr. Hopkins, Mr. Stettinius and the other interested Departments to participate in a general survey of shipping requirements. When the survey of shipping requirements is eventually compared with the estimates of shipping availability, it is the intention of the Law Mission that the necessary scaling down of the shipping requirements figures shall be done methodically through the whole range of requirements for moving civilian supplies. The Law Mission will argue that such civilian requirements should not be regarded necessarily as the marginal element in the requirements estimate but should be considered alongside the military requirements and that necessary cuts should be made in both categories of requirements in accordance with best available judgement as to the relative importance of the particular requirements.

2. As indicated in Mr. Pearson's letter of December 18th, Mr. Law's initial conversation with Hopkins was most unsatisfactory but subsequent conversations, for which the way had been prepared by an excellent statement of the British case in a letter from Law to Hopkins, were considerably more productive as indicated by the willingness of Hopkins and other United States officials to participate in the general survey which Law regards as the essential preliminary to the discussions of basic policy.

3. The subject of the physical availability of supplies necessary to meet these civilian requirements is not expected to arise until a later stage in the discussions. In the meantime, the United Kingdom representatives expressed their gratification at the attitude of the Canadian Government and also expressed the view that this Canadian attitude would be most helpful when the discussions reach the stage at which supply questions arise.

4. In the meantime, we shall endeavour to keep you informed on the discussions.

5. It occurs to us that when the time comes for a more formal expression of this Canadian policy we may find some difficulty in reconciling the Canadian policy expressed in this despatch with the apparently more restrictive views to which we have been instructed to give expression in connection with the proposed limitation on Canadian responsibility for financing so-called military relief. At first glance it would seem that some at least of the moral effect which is expected from the general Canadian proposal in this despatch may be lost if, at the same time, we are arguing in other quarters that our responsibility for financing civilian supplies provided on a combined basis outside UNRRA must be curtailed. We should appreciate guidance as to the relationship between the proposal presented in this despatch and the policy governing Canadian financial responsibility under the general arrangement for providing relief outside UNRRA. You may wish to discuss this subject with Mr. Pearson while he is in Ottawa. Ends.

1285. DEA/186s

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELETYPE EX-14 Ottawa, January 2, 1945

SECRET. Following for Pearson from Angus, Begins: Your WA-7227 of December 29th. Mr. Law's discussions in Washington. I am not quite clear about the difficulty raised in paragraph 5 of your teletype. The Canadian authorities have not as yet declined to go beyond military relief in the narrow sense but have not undertaken to do so. The question is an important one and before it is submitted to Council it is desirable that we should be able to give clear answers as to the extent to which it is probable that Canadian advances for military relief will be recovered and the probable magnitude of these advances. It is also necessary that we should have some idea of how extensive the financing of civilian supplies provided on a combined basis outside UNRRA is likely to be. You will remember that in our conversation of this morning you did not think that any such supplies would be included in the plan which provided for a maximum of $1,000,000,000 of supplies for military relief.

The relation of this question to the topics likely to be discussed during Mr. Law's visit appears to be that the discussions should provide background material which should accompany and, indeed, serve to justify any recommendations which may be made to Council for Canadian participation in any combined relief outside UNRRA which goes beyond the military relief to which we are already committed. Ends.

1286. DEA/186s

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 173 Washington, January 23, 1945

TOP SECRET.

Sir,

I have the honour to report on the discussions which have taken place between the representatives of His Majesty's Government in the United Kingdom, headed by the Right Honourable Richard K. Law, Minister of State, and the United States Government over the period December 15, 1944—January 14, 1945 concerning the urgent necessity of increasing the volume of civilian supplies provided to liberated areas in Europe and, more particularly, of enabling the National Governments and Authorities of these liberated areas to institute immediately their own programmes for importing raw materials and other supplies required to start the restoration of their economies. This Embassy has now been informed in considerable detail concerning the circumstances which gave rise to the discussions, the objectives sought by the U.K. representatives, the nature of the discussions, and the results achieved.

2. The decision to send this U.K. delegation to Washington resulted primarily from three related but conflicting developments:

(a) General Eisenhower and his staff, in the light of their experience after turning over the Zone of the Interior to the French authorities, had encouraged the National Governments of Western Europe to prepare their own import programmes for those materials most urgently needed to put their industrial and agricultural capacity to work within the limits of the port capacity which could be made available to them. The Supreme Commander of the Allied Expeditionary Forces transmitted the appropriate recommendation to the Combined Chiefs of Staff in Washington as early as November 3, 1944. (The text of this telegram—SCAEF 122—was sent by this Embassy to the Department of External Affairs for information on December 2.)

(b) The U.S. and U.K. Governments at that time, and in the subsequent month went far in discussions with their Western Allies to commit themselves in the same direction.

(c) Ministers of H.M. Government in the U.K. learned with concern, therefore, that the President of the United States had, on November 22, expressed to Prime Minister Churchill the view that the import of supplies into these liberated countries must be limited, until after the German collapse, to those supplies for which the Combined Chiefs of Staff can obtain shipping in the light of shipping required to carry out current and projected operations. The President had added that, in his view, these possible operational shipping demands would permit them, until the collapse of Germany, to provide

shipping in operational areas for only those basic essentials necessary to avoid "disease and unrest" which would interfere with operations or with lines of communication and supply.

3. Accordingly in mid-December, after some delay resulting from a change of plans as a consequence of Mr. Macmillan's inability to leave the Mediterranean area, a delegation was dispatched from London headed by the Right Honourable Richard K. Law, and including the Honourable T. H. Brand, from the Ministry of Production; Mr. R. J. Stopford, Deputy Director for Civil Affairs in the War Office; and Mr. D. E. Coulson from the Relief Department of the Foreign Office. Assisted by the U.K. representatives already in Washington (including representatives of the British Ministry of War Transport and British Army Staff), the delegation immediately opened discussions with Mr. Harry Hopkins, representing the President; Mr. Stettinius, Secretary of State; Mr. Acheson and Mr. Clayton, Assistant Secretaries of State; Mr. McCloy, Assistant Secretary for War; Captain Conway of the War Shipping Administration; and representatives of the Navy and other interested Departments.

4. On December 17, Mr. Law outlined to Mr. Hopkins the purposes and objectives of his mission in the following language:

"His Majesty's Government in the U.K. believe it to be essential that the following points of principle should immediately be recognized and agreed by the U.S. and U.K. Governments:

A. Civil Affairs supplies requested by the Theatre Commanders (for distribution by the armies) and accepted by the Combined Civil Affairs Committee of the Combined Chiefs of Staff shall be given the same priority as other military supplies with respect both to procurement and shipping allocations.

B. The National Governments shall be recognized as entitled to prepare and themselves submit their own import programmes to the appropriate civilian supply and shipping authorities.

C. These programmes shall be entitled to favourable consideration for the following reasons:

(a) supplies additional to the civil affairs programme are essential for the maintenance of civilian economies and for the gradual restarting of industry without which unemployment and disorder are unavoidable;

(b) unless such supplies are forthcoming no National Government will be able to maintain its authority.

(c) unrest and instability in the countries concerned would have far-reaching and incalculable effects on the social fabric and political security of Europe, and might well gravely hamper military operations.

(d) the National Governments putting forward these programmes are fighting allies, who have placed at our disposal troops, ships, supplies and now industrial facilities and they are entitled to expect a proper share of the Allied pool of resources.

D. That the established requirements put forward by the National Governments are fully eligible for inclusion in any study of the world supply and shipping picture, and that they shall not be regarded as merely the marginal element in the total world position.

If the U.S. Government agree with these principles, it would appear to be immediately desirable that,

(a) These principles should be communicated to all the U.S. and U.K. Departments concerned;

(b) That steps should immediately be taken to ensure that they shall govern the survey about to be undertaken by direction of the Combined Chiefs of Staff;

(c) Instructions should be given that this survey be completed by January 1st;

(d) The United States and United Kingdom Governments should together notify the Allied Governments of the acceptance of these principles; and

(e) Arrangements be made, in advance of the completion of the survey referred to above, and of the allocation of tonnage thereunder for the next six months, to put at the disposal of the French and Belgian Governments some amount of tonnage for each of the months of January and February so that they may lift some portion of the supplies most urgently needed by them over and above the Civil Affairs programme."

5. On December 29th the Combined Chiefs of Staff directed that an overall review of combined cargo shipping requirements and resources for the period January 1, 1945—June 30, 1945 be undertaken. The directive stated that the war in Europe should be assumed to continue throughout this period. The survey of requirements was to cover: requirements for military operations; governmental civilian programmes (including programmes for civil economy and for maintaining the war-making capacities of the United Nations, programmes for neutral countries, such desired national civil import programmes as are submitted directly by the National Governments concerned for areas liberated or likely to be liberated within the period involved, and U.N.R.R.A.'s programme for Italy); and estimated programmes of civil affairs requirements in all theatres which have a period of military responsibility for civil relief operations (including direct civil affairs requirements and any further portions of civil import programmes submitted by the Theatre Commander). The Combined Military Transportation Committee of the Combined Chiefs of Staff, "in conjunction with" the Combined Shipping Adjustment Board, was instructed to "submit recommendations (upon completion of the survey) as to possible adjustments in the use of shipping in order to minimize the divergence between stated requirements and available resources." The report was to be submitted to the Combined Chiefs of Staff as soon after January 1 as practicable.

6. Concurrently with this investigation of the shipping position discussions continued between the U.K. delegation and the representatives of the U.S. Government concerning the basic policy which should be established for acting upon the findings of the shipping survey. In these discussions the position of

France was generally regarded as illustrative of the problems for which a combined policy was required. The U.K. side introduced into the discussion at an early stage a report which had been received on December 30 from the U.K. Ambassador in Paris reporting an interview with M. Alphand the French Director General of Economic Affairs. In this interview M. Alphand expressed the view that France was heading rapidly towards a major crisis. He reported that General de Gaulle and the Minister for Foreign Affairs considered the provision of shipping for imports and the improvement of inland transport facilities as the most urgent of all matters now before the Provisional Government. It was General de Gaulle's opinion not only that the war was not yet near its end but also that there would be a long period of guerrilla warfare in Germany even after a substantial proportion of that country had been occupied. M. Alphand reported that the French Government therefore regarded the early restoration of a reasonable ration standard and resumption of a minimum of industrial production in France as of vital military importance to the Allies. He added that the Minister of Foreign Affairs was preparing communications to the U.S. and U.K. Ambassadors on these questions. The U.K. Ambassador supplemented his report on this interview with remarks (based on reports received recently, and on investigations conducted early in November by the U.K. economic representatives in France) expressing his confidence that the position had been accurately described by M. Alphand. The U.K. Ambassador concluded that the lack of raw materials with the consequent increase in unemployment at the moment when rations and heating are sorely deficient is bound to create discontent and render the task of the Provisional Government more difficult during the period requiring maximum war effort. In the discussion of this message Mr. McCloy and Mr. Law indicated that they had separately conferred with M. Monnet in Washington recently and that they had been given to understand that a firm programme for January, February and March was required. M. Monnet had indicated that if the French authorities could be told what they could confidently expect for at least one quarter of the year they could make some plans, but short of that they could not plan at all. Although the position of the other liberated areas differed from that of France in some important respects, and although their case had not been presented as forcefully as the French, there was every reason to expect that the conditions developing in their countries would reinforce policy decisions taken on the basis of the position in France.

7. The U.S. War Department argued throughout that the liberated areas must be regarded for shipping purposes as advance military bases and not as colleagues or partners. The representative of the U.K. War Office and other members of the U.K. delegation on the other hand indicated that the War Office had accepted the policy of National civilian import programmes because the prolongation of the war in Europe had made the scope of the military supply responsibility too narrow. Raw material needs now had to be covered as well as the primary needs of food, clothing, fuel, petroleum, soap and medical supplies. In the opinion of the U.K. War Office the problem had now grown to

a point at which it passed beyond what should be regarded as a strictly military responsibility. It had become a question for the Governments concerned, including those of the liberated countries. It was pointed out that this view seemed to be shared by the Theatre Commander (see reference in paragraph 2a above to the message from SCAEF). In brief the view of the U.S. War Department (which prevailed, at least for the time being, on the U.S. side) was that the provision of supplies to France must be limited to:

(a) civil affairs supplies necessary to prevent "disease and unrest",

(b) raw materials for processing in France into finished war materials for use by the U.S. Army (i.e. supplies for the repair and salvage of army stores, vehicles, etc., and raw materials such as rubber, cotton, wool, and cement for use in French factories producing military materials),

(c) "spot" or "ad hoc" allocations of supplies and shipping to fill requests of the French Provisional Government on occasions when the military position might warrant, but with no firm advance guarantees to the French on which they could base a production programme of their own.

8. The U.K. objections to these limitations were:

(a) the quantities permitted by this arrangement would not be appreciable, in fact, and would certainly not permit of any substantial restitution of French industry and employment.

(b) the quantities would be far less than the 1,000,000 tons of materials which the Germans had provided to French industry each month.

(c) the flow of such supplies, in addition to being small in volume, would be uncertain and intermittent with the result that production and employment, at even a low level, could not be continuous, and the orderly development of French political institutions might well be seriously affected.

(d) the realization by the French that their country was regarded merely as an advance base, and that they were not considered as colleagues or partners, would have most unfortunate results on French relations with the U.S. and U.K.

9. From a review of the detailed discussion it is apparent on the U.S. side that the views of the Service Departments clearly dominated. Although there were numerous indications that Mr. Hopkins, and the representatives of the Department of State and the War Shipping Administration were sympathetic with the views of the U.K. Delegation, Mr. Hopkins made it quite clear that in his opinion the view of the War and Navy Departments would govern any immediate decisions which might be taken. A number of reasons have been suggested to explain the dominant position occupied by the Service Departments on the U.S. side in these discussions:

(a) The coincidence of these discussions with the landings on Luzon and with the new German threat to our military position in Northwestern Europe combined to emphasize the eminence of military requirements in U.S. policy.

(b) At the first meeting Mr. Hopkins remarked that there had been so far only one general discussion of the subject under consideration at which all the interested U.S. Departments were represented. As a consequence no generally

accepted U.S. policy had been formulated and the Service Departments found themselves in a favourable position in relation to the other Departments of the Government. The effect of this lack of policy was particularly apparent in the discussion concerning the status of France. On that point the representative of the War Department is reported to have said that unless the White House were to say that France was a full partner the War Department would not now agree to an allocation of ships to the French which might later prevent the mounting of an operation because ships were not available. He added that if, however, the White House were to say that France was a full partner and was to receive an allocation of ships, the soldiers would obey (as they had done in the case of the U.K. and the U.S.S.R.).

(c) One participant in the discussions expressed the opinion that the pre-eminent position occupied by the Service Departments on the U.S. side (in contrast to the role of the War Office on the U.K. side) was not merely a transitory feature, but resulted from the mistaken view which he had found prevalent in the U.S. Administration for some time to the effect that wars are waged by the Service Departments and not by the Government as a whole; implying a persistent refusal to regard war as "the continuation of policies by other means." In any case it was explicitly stated in the discussion that the U.S. Service Departments held the view that "he who manages the ships, manages the war," and that control over shipping could not be relinquished by these Departments. Mr. Hopkins was also reported to have expressed the opinion in the closing stages of the discussion, that if there was the slightest conflict between the military demands and those of liberated areas for Civil Import Programmes, the civilian shipping agencies would soon discover which Department had the real control.

10. In these circumstances it was apparent that any further progress towards the achievement of the objectives sought by the U.K. delegation could be achieved only by stages and over a longer period of time than had originally been envisaged.

11. The first stage would be the completion of an interim arrangement which would represent the best compromise possible at this time. On January 14 a memorandum of Agreement was concluded between the U.S. and U.K. Governments embodying this arrangement.[218] A copy of the main sections of this memorandum[†] is attached. It is to be observed that the agreement was completed with the clear understanding that the "allocation" of ships specified therein was for the three months period only, (particularly as the shipping authorities anticipate serious reductions in the availability of shipping for even their present programmes after the first of April), and that it was subject to adjustment on grounds of military necessity with Mr. Hopkins (clearly against his will) acting as arbiter if the Service Departments wished to appeal for such an adjustment. It was only on the basis of this compromise formula, proposed

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[218]Voir États-Unis, *Foreign Relations of the United States. The Conferences at Malta and Yalta, 1945*. Washington, U.S. Government Printing Office, 1955, pp. 420-2.
See United States, *Foreign Relations of the United States. The Conferences at Malta and Yalta, 1945*. Washington, U.S. Government Printing Office, 1955, pp. 420-2.

by Mr. Acheson, that the U.S. Service Departments were induced to make any concessions. The resulting agreement was described by Mr. Hopkins as a "mild document." The extent to which this agreement falls short of the objectives sought by the U.K. delegation is apparent from a comparison of the agreement with the statement of objectives in paragraph 5 above.

12. The next important stage will be reached at the forthcoming Staff Conference between Prime Minister Churchill and President Roosevelt.[219] Before Mr. Law's arrival the U.S. Government had not proposed to include representatives of the War Shipping Administration in the U.S. party. At the conclusion of the discussions Mr. Hopkins urged the State Department representatives to see that appropriate advisers attended the Conference to ensure that the claims of the liberated countries of Europe had a fair hearing, and he expressed his conviction that Admiral Land and Captain Conway of the War Shipping Administration should attend. Mr. Hopkins remarked that it was not possible to discuss operational shipping plans if the claims of liberated countries were left out. Mr. Law reported that Lord Leathers of the U.K. Ministry of War Transport would attend the Conference. Mr. Hopkins continued his discussion of the Conference agenda by stating that he would try to arrange to have the general question of U.S. and U.K. policy towards liberated countries discussed. He noted that it would probably be necessary to leave the Russians out of this particular discussion. He concluded by saying that only when the general question had been discussed and the lines of policy established would he wish to see the shipping aspect of the problem discussed.

13. In the interval between the completion of the interim arrangement and the date of the Staff Conference discussion is continuing in Washington concerning the Theatre Commander's recommendation referred to in paragraph 2a above, and the U.K. Missions in Washington are circulating among the U.S. Departments a lengthy paper in an attempt to influence the thinking of the U.S. Departments on this subject (three copies of this paper are being sent to you with our despatch no. 172).*

14. It might be noted that the question of the availability of supplies did not occupy a prominent place in the discussions which have taken place here during the past month. Insofar as supply questions arose they were overshadowed by shipping considerations. The question of making available from U.K. stockpiles larger quantities of food for consumption in the liberated areas was raised but only in connection with the possible economies in shipping which might result therefrom. In the discussion of this question Mr. Law indicated to Mr. Hopkins that, in no small measure, any decision concerning U.K. stocks, particularly food stocks, would be governed by the guarantee of availability of further supplies from the U.S. Mr. Law reported that it had now been agreed that a combined survey of the food stockpiles should be made, and he expressed the hope that this survey would result in agreement on minimum stock levels with the resultant agreement on the import programme necessary to sustain

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[219]La Conférence de Malte, le 30 janvier au 2 février.
The Malta Conference, January 30 to February 2.

them. If this review showed an excess of U.K. stocks over the minimum essential that excess could of course be made available for other purposes, or, to avoid uneconomic "double handling" of supplies, the U.K. import programme could be correspondingly reduced. Mr. Law assumed that the civilian programmes of the U.S. and other countries which called for the use of shipping would be reviewed at the same time.

15. As a result of the neglect of supply questions (or their deferment to a later stage when the shipping questions have been more satisfactorily resolved) there was no occasion in these preliminary discussions to present formally the proposal put forward by the Government of Canada in despatch No. 1819 of December 18, 1944.

16. Although the outcome of the discussions on this subject at the Staff Conference cannot be anticipated, it is apparent that the result will be of great significance to a country such as Canada which is already participating in the provision of Civil Affairs supplies and which must be regarded as an important potential supplier of the import requirements of the liberated countries. The completion of the interim arrangement and the imminence of more comprehensive policy decisions by the U.S. and U.K. would seem to emphasize the desirability of determining at an early date Canada's policy concerning the national civil import programmes (for raw materials and equipment, as well as foodstuffs) of the liberated countries, and of completing the necessary supply and financial arrangements to implement these policy decisions.

I have etc.

L. B. PEARSON

1287. DEA/186s

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH 136 Ottawa, January 29, 1945

TOP SECRET.

Sir,

I have the honour to refer to your despatch No. 173 of January 23rd, concerning the discussions which have taken place between the representatives of His Majesty's Government in the United Kingdom and the United States Government on the subject of the necessity of increasing the volume of civilian supplies provided to liberated areas in Europe. I am very glad to have this admirably clear account of the lines which the discussion has followed. It is disappointing, though not altogether surprising, that the United States War Department should take a narrowly military view of the situation and should not be as sensitive as the Government of the United Kingdom to the necessity of providing for the welfare of the civilian population in the liberated countries

in order to forestall disturbances which may prejudice military operations and even imperil the objectives for which we are fighting. It is fully understood that the question of availability of supplies could not occupy a prominent place in the discussion until the question of shipping priorities had been settled. It will be at the later stages of the discussion when the provision of food, clothing and raw materials is under consideration that Canadian interests will be most affected. For the present you are quite right in thinking that there was no occasion to present formally the contents of my despatch No. 1819 of December 18th.

Although the discussions which have taken place may not have had any great immediate effect, it is probable that they will influence policy in the long run as the vital problems of the liberated areas will have been brought very forcibly to the attention of the Government departments in the United States.

As a wide circulation was given to my despatch No. 1819 of December 18th, I am giving a correspondingly wide circulation to your despatch under reference and, in addition, am sending copies of both despatches to the Canadian Embassies in Paris and Brussels.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1288. DEA/6247-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, March 22, 1945

As a proposal for meat rationing will come before Council on Friday, March 23rd, it may be convenient to have the following memorandum on the international implications of the proposals.

1. It appears from the memorandum submitted by the Food Requirements Committee† that unless drastic action is taken by the supplying countries little or no imported meat would be available for relief purposes in the liberated countries in Europe.

2. The information at the disposal of the Department of External Affairs indicates that in many of these countries food shortages are extremely serious and that the discontent aroused, in part, by these shortages is likely to have the most serious political consequences. Some writers go so far as to suggest that the prolongation of resistance in Germany is inspired by the hope of creating conditions of utter confusion throughout the whole of Europe which will deny to the victors the objectives for which they have made so many sacrifices.

3. While it is true that the additional amount of meat which may be made available for export by the restrictions on consumption suggested by the Food Requirements Committee will not of itself be a big factor in relieving distress in Europe, it would nevertheless be a serious matter if world public opinion looked on Canada as the only one of the active belligerents which had not seriously curtailed its civilian consumption of meat in order to come to the help of the distressed nations.

4. Repeated advice has been received from the Canadian Embassy in Washington of the criticism of Canada appearing in the United States because of the absence of meat rationing in this country. It is true that measures have been taken to increase the export of certain meat products to the United Kingdom with the effect of reducing our consumption here but the importance of these measures is not generally appreciated either in the United States or elsewhere and it is not possible for our representatives to do much to emphasize the effect of these measures as long as the plain fact remains that Canadians are free to buy as much meat as they can find in the stores while Americans are limited in their purchases by an irksome system of point rationing as well as by some shortages in distribution.

5. It is, therefore, inevitable that Canada will be criticized, in part fairly and in part unfairly, in the United States as long as serious shortages of meat exist in liberated countries while rationing prevails in the United States but does not prevail in Canada.

6. The figures of civilian per capita consumption, whether taken from the year 1944 or from the current year or cited by comparison with those for an average pre-war year indicate that both absolutely and relatively to pre-war, Canadians are consuming more meat per head than Americans. These figures will continue to be quoted as long as there is no rationing, but if rationing is instituted, publicity will turn to the quotas allowed under the respective rationing plans.

7. It follows that even if rationing were to be ineffective in reducing actual consumption, the mere fact of its institution would help to avoid a serious alienation of United States public opinion. There seems, however, to be little doubt that the type of rationing proposed by the Food Requirements Committee would result in a substantial reduction of meat consumption by civilians in Canada.

8. The discussions which have taken place concerning meat rationing, whether between officials of the Combined Food Board or in the public press of the various countries, have led to serious misunderstanding. The belief is widespread in the United States that the United Kingdom has amassed large stocks of food which ought to be consumed before any further sacrifice is imposed on American civilians. The United Kingdom representatives contend that United States officials have been supplied with complete information concerning the magnitude of these stocks, that in any case very substantial reductions in these stocks will take place during the calendar year 1945, and that some reserves are justified in the common interest either to meet the exigencies of war or to furnish emergency supplies to menaced populations on the continent of Europe.

As long as the figures are not publicly known however, these arguments, sound as they may be, can have little influence on public opinion.

9. In this, as in other matters, a dispute which is initially one between the United States and the United Kingdom is apt to involve Canada. The United States has announced a cut of 87½% in shipments of meat to the United Kingdom in the forthcoming quarter in order to compel the United Kingdom to consume its stocks. The United Kingdom contention is that this action will result at no very distant date in the reduction of the meat ration in the United Kingdom which, both absolutely and relatively to pre-war standards, is lower than that of the United States.

10. The United Kingdom, therefore, is apt to turn to Canada in the hope that we may make good, in part, the shortage of supplies from the United States. The United States press, on the other hand, is apt to point with scorn to Canadians as unwilling to curtail their consumption of meat in order to assist the United Kingdom. An even more embarrassing line of criticism already apparent in the Hearst-McCormick press, consists in praising the Government of Canada for turning a deaf ear to outside plans which might call for sacrifices from its own citizens and to criticize the Government of the United States for being too soft-hearted.

11. It may be well be that the United States authorities, in order to make further restrictions acceptable politically, have coupled them with a reference to military needs and with a tough demeanor towards the United Kingdom. While this approach spares Canada from immediate denunciation, our best course seems to be to use this respite to render ourselves immune to legitimate criticism.

12. The conclusion suggested is that it is important that Canada should take energetic steps to curtail the civilian consumption of meat both in order to contribute to the avoidance of political unrest in liberated Europe and in order to maintain abroad the high reputation which Canada, in virtue of her war effort, has achieved.

1289. PCO

Conclusions du Cabinet

Cabinet Conclusions

TOP SECRET Ottawa, March 23, 1945

A meeting of Cabinet was held in the Privy Council Chamber on Friday, March 23rd, 1945, at 12 o'clock noon.

The Minister of Mines and Resources
(Mr. Crerar) in the Chair.

MEAT SHORTAGE; RECOMMENDATIONS OF THE
FOOD REQUIREMENTS COMMITTEE

1. THE SECRETARY submitted a memorandum from the Food Requirements Committee concerning the world-wide shortage of meat, and suggested action by Canada.

After describing the present critical position, involving an excess of requirements over supply of more than 4½ billion pounds, the memorandum recommended that certain steps be taken, including the rationing of meat in the event of the government deciding to reduce civilian consumption in Canada.

The Prime Minister had been over the memorandum from the Committee and had communicated his concurrence in the action recommended by the Committee.

(Food Requirements Committee memorandum to the Cabinet, March 22nd, 1945;† Chairman's letter to the Secretary, March 22nd, 1945.)†

2. THE MINISTER OF MINES AND RESOURCES read to the meeting a memorandum to the Prime Minister from the Under-Secretary of State for External Affairs upon the international implications of Canada's policy with respect to meat.

3. THE CABINET, after considerable discussion, agreed to defer further consideration of the problem until an early meeting the following week, it being understood that meantime;

(a) the Wartime Prices and Trade Board would prepare a report upon the practical problems involved in acceptance of the Committee's recommendations; and,

(b) the Food Requirements Committee would examine and report upon the effectiveness of the action proposed in increasing the supply of meat to the United Kingdom and European countries, with particular reference to the adequacy of inland transport, storage facilities and ocean shipping.

A. D. P. HEENEY
Secretary

1290. PCO

Conclusions du Cabinet

Cabinet Conclusions

TOP SECRET Ottawa, March 27, 1945

A meeting of Cabinet was held in the Privy Council Chamber on Tuesday, March 27th, 1945, at 11.30 a.m.

The Minister of Mines and Resources
(Mr. Crerar), in the Chair.

MEAT SHORTAGE; RATIONING

1. THE MINISTER OF AGRICULTURE submitted comparative figures for civilian and military consumption of meat in various countries, including those for the United States and Canada.† It was to be noted that without rationing the Canadian figure was substantially below the American.

Experience in this country had already shown that rationing and the imposition of restrictions upon slaughterings failed to produce additional supplies for export and resulted in the over-burdening of facilities. Labour shortage in the packing plants was an important deterrent.

In the circumstances, the recommendations of the Food Requirements Committee should not be accepted.

2. THE MINISTER OF MINES AND RESOURCES spoke of the serious prospect of severe shortages in European countries which threatened starvation and civil disturbances in the not far distant future. The question for decision was whether or not the Committee's proposals would enable Canada to provide additional meat where it was needed.

3. MR. CRERAR submitted and read a supplementary report of the Food Requirements Committee upon the points referred to them by the Cabinet at the last meeting.

The report expressed the view that the degree of rationing proposed would make meat available for export at a rate of approximately 200 million pounds a year more than could be effected if the present controls were left unchanged.

(Letter, Chairman Food Requirements Committee to the Secretary and enclosed memorandum to the Cabinet, March 24, 1945.)†

4. MR. CRERAR also read a statement made in the House of Commons by the Parliamentary Assistant to the Minister of Finance (Mr. Abbott), on February 29th, 1944, stating that meat rationing was being suspended until the congestion in both storage and transportation was cleared up.

5. MR. GARDINER spoke of the misrepresentation and misunderstanding of the Canadian position in the United States and suggested that it was important that the facts be made public concerning Canadian consumption levels.

6. THE CABINET, after further considerable discussion, agreed to defer decision upon the Food Requirements Committee's report until discussions with the United Kingdom Ministers of Food and Production had been held at the beginning of the following week; the Minister of Agriculture, meantime, to concert with the Department of External Affairs concerning the issue of a statement explanatory of the Canadian meat consumption situation.

A. D. P. HEENEY
Secretary

1291. DEA/7663-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures au Premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, March 31, 1945

The United States Ambassador telephoned me this afternoon to invite the Canadian Government to be represented at discussions of the world supply position which will begin on the technical level in Washington on Tuesday, April 3. Mr. Atherton expected to have further details of the arrangements for the meeting on Monday morning. I assume that this invitation is preparatory to an invitation to Canada to be represented in the top level ministerial consideration of the same problem which is to begin when Messrs. Llewellin and Lyttelton return to Washington on Wednesday.

N. A. R[OBERTSON]

1292. DEA/7663-40

Procès-verbal d'une réunion entre des représentants du Canada et des représentants de la Grande-Bretagne

Minutes of a Meeting between Representatives of Canada and Representatives of Great Britain

CONFIDENTIAL Ottawa, April 2, 1945

WORLD FOOD SITUATION; WASHINGTON CONVERSATIONS

A meeting was held, at 12.00 o'clock noon, on April 2nd, 1945, in Room 123, East Block, between representatives of the U.K. and Canadian governments, as follows:

Canada

The Minister of Munitions and Supply (Mr. Howe), in the Chair,
The Minister of Finance (Mr. Ilsley),
The Minister of Agriculture (Mr. Gardiner),
The Minister of Trade and Commerce (Mr. MacKinnon),
The Minister of Justice (Mr. St. Laurent),
The Under-Secretary of State for External Affairs (Mr. Robertson),
The Deputy Minister of Agriculture (Dr. Barton),
The Secretary to the Cabinet (Mr. Heeney).

United Kingdom

The Minister of Production (Mr. Lyttelton),
The Minister of Food (Mr. Llewellin),
The High Commissioner (Mr. MacDonald),
The Acting Head, British Food Mission in Ottawa (Mr. Croome).

1. MR. LYTTELTON described the reasons underlying the present U.K. Mission to the United States and the course of their preliminary exploration of

the situation in Washington, in preparation for later discussions on the Ministerial level.

A first question was whether the Canadian government would be a party to these discussions. This was most important and it was very much hoped that Canadian Ministers would be able to participate. The meetings would take place after the experts had settled a statistical basis from which to proceed.

2. MR. HOWE suggested that the matter of Canadian representation at the Washington talks would be taken up later in the Cabinet.

3. MR. LYTTELTON, outlining the nature and magnitude of the problem, spoke of the imminent danger of a condition of near starvation in Western Europe, in contrast with a relatively tolerable situation in areas liberated by Soviet forces. If reasonable subsistence and employment could not be secured for the peoples of France, Holland and Belgium, no stable governments could survive, and the morale of the populations would be destroyed. The restoration of reasonable levels of consumption had therefore become a major political objective of U.K. government policy. In their view, it was absolutely necessary to demonstrate to the people of the liberated countries that the Western Allies were doing everything possible for their assistance.

The United States, faced with an internal problem of some difficulty, had criticized the size of stockpiles maintained in Britain. The heat had been taken out of this criticism to some extent by the recent statement of the facts by Mr. Churchill.[220] U.S. opinion had now turned to making unfair and unfavorable comparisons with Canadian conditions. It was, therefore, important that anything that the Canadian government were inclined to do should be done before the Washington talks began. Any lead from Canada would have an important effect in the United States and in Europe.

4. MR. LYTTELTON said that there were certain sources from which additional foodstuffs might be secured:

(a) Soviet requests for including foods in the forthcoming 5th Protocol[221] should not be regarded as so imperative as heretofore. Russian Armies had now overrun large surplus agricultural areas and the U.S.S.R. should no longer be able to obtain supplies from the Western Allies without a demonstrated need. Further, it might be suggested that responsibility for supplying Poland and Czechoslovakia might well be assumed by the Soviet Union.

(b) The scales of rations for the Armed Forces should be scrutinized very carefully, including those for prisoners of war and displaced persons. There was some ground for thinking that Army stocks were higher than need be in present circumstances. No longer could we afford the luxurious levels which had

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[220]Voir Grande-Bretagne, Chambre des Communes, *Débats*, 1945, cinquième série, volume 409, colonnes 818-20.
See Great Britain, House of Commons, *Debates*, 1945, Fifth Series, Volume 409, Columns 818-20.

[221]Voir les documents 598 et 599.
See Documents 598 and 599.

previously obtained. Whenever possible, the scale of the military effort should be cut back as the need decreased.

5. MR. LYTTELTON repeated the opinion that any action by the Canadian government, whether it were rationing or otherwise, would be doubly effective psychologically if taken before the Washington meeting, before the "crunch" came. It would be definitely helpful with U.S. authorities—one more case of giving twice by giving quickly.

6. MR. LLEWELLIN said that one of the most serious aspects of the situation was the threatened breakdown of the mechanism of the Combined Food Board. In the face of an overall shortage amounting to perhaps 1½ million tons of meat, of shortages in oils and fats and in sugar, the Combined Food Board had failed to cope with the problem.

There was a wide gap between the U.S. Army field ration (meat), which approximated that of the United Kingdom-Canada, and the amounts delivered to the Army, which ran at the rate of from 420 to 450 pounds per head per annum. It was hoped to find out what was happening to this large spread.

Prisoners of war scales, under existing interpretations of the Geneva Convention, were ridiculously high in contrast to those of civil populations of liberated countries and of the United Kingdom herself.

As to the United Kingdom, without help, they would face a cut in the meat ration in severe circumstances, which would widen even farther the disparity with other countries.

No meat allocations at all had been made by the Combined Food Board to France, Holland or Belgium. The French wanted to make their own contracts with the Argentine by exception to the general agreement under which the U.K. government were the sole meat contractors with that country. This, however, would have unfortunate effects upon price and control of distribution.

7. MR. LLEWELLIN spoke briefly of the position with respect to other foodstuffs:

Wheat was the only commodity in sufficient overall supply. The United Kingdom had diverted shipments of wheat and flour to Europe; her own minimum requirements were eight weeks' wheat and four weeks' flour.

The sugar position was complicated by Cuba's refusal to contract on a two-year basis.

Oils and fats were another great difficulty. U.K. stocks were running down sharply. An attempt was being made to obtain increased supplies of flax seed from the Argentine in return for coal. The United States were using substantially increased quantities of fats for soap; a reduction here would help.

Canned fish and all dairy products were also short.

8. MR. LLEWELLIN said that the principal immediate objective was to achieve genuine combined planning with the United States, to make reasonable and prompt allocations designed to meet best existing deficiencies. The United Kingdom had released from their stocks large quantities for the European countries. There was no more to be had from these sources.

As to Canada, it was not for them to suggest policies, but he hoped that the Canadian government would agree to be represented at Washington, so that Canadian Ministers would sit down with them and U.S. representatives to look at the general situation and see what could be done. There would be no decision taken until all relevant facts had been stated and agreed, and until there had been opportunity for full consideration by the governments concerned.

There was no doubt that, at the moment, the United States were using the Canadian position as an excuse for their own reluctance to do more.

9. MR. GARDINER suggested that it might be better for Canada to await the results of the meeting between officials, and the initiation of discussions on the Ministerial level, before deciding what action, if any, should be taken.

The Canadian government had done everything possible to get the greatest quantities of the required meat products to the United Kingdom in the face of a number of difficulties.

Increased meat production in Canada could only come at the expense of wheat, and, to this end, every effort had been made to switch acreage from wheat. Last year, a reduction of some 8 to 10 million acres had been achieved, but this had now slipped back to about 4 million acres. The large wheat carry-over was an embarrassing factor.

Increased meat shipments to Europe would not be obtained merely by introducing rationing or requisitioning supplies from the packing plants. When rationing had been in effect last year and when Canadian production had been at its height, surplus supplies had backed up and large quantities could not be shipped. Farmers had concluded against sending their meat to the plants. The principal difficulties were those of distribution and plant capacity.

It might be possible, without imposing rationing and slaughtering restrictions, to increase Canadian shipments by perhaps 100 million pounds, but it was doubtful whether the actual methods could be decided upon at this time.

10. MR. GARDINER, referring to U.S. criticisms of the Canadian situation, observed that the facts had been distorted in the U.S. press. Canadian methods and Canadian conditions were quite different to those obtaining in the United States. U.S. per capita meat consumption had been, in fact, higher than the Canadian level. Their difficulties resulted from maldistribution and disregard for rationing regulations (black markets). It would not do for Canada to change her own policies merely to meet criticisms on the part of the United States.

11. DR. BARTON suggested that the overall statistical position was unlikely to be altered substantially as a result of the official discussions now proceeding in Washington.

12. MR. LLEWELLIN felt that a settled factual basis would do much to clarify the position in preparation for talks on the Ministerial level.

13. THE MEETING then adjourned, at 1.30 p.m., it being understood that the question of Canadian representation at the Washington talks would be

considered by the Cabinet, that Mr. Llewellin would have an opportunity of discussing individual food contracts with Mr. Gardiner and his officials, and that another meeting would be held the following morning.

A. D. P. H[EENEY]

1293. DEA/7663-40

Procès-verbal d'une réunion entre des représentants du Canada et des représentants de Grande-Bretagne

Minutes of a Meeting between Representatives of Canada and Representatives of Great Britain

CONFIDENTIAL Ottawa, April 3, 1945

WORLD FOOD SITUATION; WASHINGTON CONVERSATIONS

A meeting was held at 11.30 o'clock, on April 3rd, 1945, in Room 123, East Block, between representatives of the U.K. and Canadian governments, as follows:

Canada

The Minister of Munitions and Supply (Mr. Howe), in the Chair.
The Minister of Agriculture (Mr. Gardiner),
The Under-Secretary of State for External Affairs (Mr. Robertson),
The Secretary to the Cabinet (Mr. Heeney).

United Kingdom

The Minister of Production (Mr. Lyttelton),
The Minister of Food (Mr. Llewellin),
The High Commissioner (Mr. MacDonald),
The Acting Head, British Food Mission in Ottawa (Mr. Croome).

1. MR. HOWE said that, following yesterday's meeting, the questions then raised had been discussed by the Cabinet. In all probability the Canadian government would be represented at the Washington talks. The question of further action was still under consideration.

2. MR. ROBERTSON submitted a draft press release† relating to the visit to Canada of the U.K. representatives.

3. THE MEETING, after settling the terms of the press statement, adjourned at 12.15 p.m.

A. D. P. H[EENEY]

1294. DEA/7663-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-1240 Ottawa, April 3, 1945

American Ambassador has conveyed an invitation from the President to the Canadian Government to be represented in forthcoming discussions on overall supply problems. Invitation has been accepted and we shall be represented by Minister of Agriculture and the Minister for Reconstruction. Date of meetings has not yet been fixed but American Ambassador thought that they would begin in Washington at end of this week or beginning of next.[222]

We have also been invited to be represented at preparatory talks on a technical level which are to begin in Washington on Thursday, April 5th. It is not yet settled what officials will go down from Ottawa for these discussion.[223]

My immediately following telegram† contains text of agreed communique† about visit of Lyttelton and Lewellin, who are returning to Washington today.

1295. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, April 6, 1945

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MEAT SHORTAGE; RATIONING

4. THE MINISTER OF AGRICULTURE, referring to discussions at recent meetings, reported that, with Mr. Ilsley and Mr. Howe, he had conferred with the Chairman of the Wartime Prices and Trade Board. Mr. Gordon had made it clear that the Board were not recommending the imposition of rationing, but if the government decided to put it into effect, then the Board were of the opinion that slaughtering restrictions were essential; they were not prepared to undertake coupon rationing without control of slaughtering.

5. MR. GARDINER said that, in the circumstances, he did not recommend rationing which would, in his opinion, produce nothing additional for export, but a continuance of the present system with the prospect of getting 60 to 70

[222] Les réunions ministérielles ont eu lieu le 18 et 19 avril.
The Ministerial meetings took place on April 18 and 19.

[223] Les réunions des officiels ont eu lieu du 5 au 27 avril. Les représentants du Canada étaient H. F. Angus, G. S. H. Barton, G. R. Paterson, K. W. Taylor and L. B. Pearson.
The meetings of officials took place from April 5 to 27. The representatives of Canada were H. F. Angus, G. S. H. Barton, G. R. Paterson, K. W. Taylor and L. B. Pearson.

million pounds additional meat for the United Kingdom, without a dislocation of domestic supply.

6. THE MINISTER OF MUNITIONS AND SUPPLY mentioned the possibility of a preparatory appeal to the public on a voluntary basis, with the object of reducing consumption. Rationing might be introduced later on, if voluntary methods failed in their objective.

7. MR. GARDINER, in answer to enquiries, spoke of the impossibility, under existing circumstances, of allowing lower gradings for hogs, and of the influence upon meat production of the figures stated in contracts with the U.K. government.

8. THE MINISTER OF FINANCE said that it was necessary to decide what attitude should be taken by the Canadian representatives at the Washington discussions; it was also necessary to decide what statement of policy the government should make at home.

9. THE CABINET, after further considerable discussion, agreed that, in representing the government at Washington, the Minister of Agriculture should take the line that Canada would do her just part in helping to meet the food shortage in Europe, that an increase of meat shipments from Canada would be obtained by methods other than rationing, in respect of which no commitment would be made; Canada would undertake a voluntary campaign, including the naming of a meatless day and, if these expedients failed, the government would be prepared to consider the rationing of meat.

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1296. DEA/7668-40

Mémorandum de l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Memorandum from Special Wartime Assistant to Under-Secretary of State for External Affairs

Ottawa, April 24, 1945

CONVERSATIONS IN WASHINGTON CONCERNING FOOD

At the official level conversations concerning foodstuffs were very protracted, largely because of the difficulty of the various United States agencies in reaching agreement among themselves. The principal foodstuffs in short supply were considered one by one and when we left substantial agreement had been reached in the case of sugar and meat, while it was not anticipated that the other commodities would present much difficulty at the ministerial level.

Sugar was taken first because it was thought that it was a simple matter which might set a pattern for other negotiations. In spite of its simplicity, it remained a matter of contention at the official level throughout ten days of preliminary discussion and occasioned a fairly sharp controversy at the ministerial level. The difficulties were of three kinds.

The first concerned the figures to be used for anticipated supplies and for anticipated demands. Generally speaking, the British were much more conservative than the Americans and contended that there should be a reserve for contingencies when the time came for apportioning the prospective supplies of sugar.

The second difficulty concerned stocks. The United States contention was that the year-end stocks in the United Kingdom, estimated at 659,000 tons for the end of 1945, were higher than pre-war and too high for present conditions. A reduction of these stocks would yield $^{8}/_{10}$ of 1 pound per annum for the consumers in the United Kingdom, the United States and Canada. The United States, however, advanced the ingenious suggestion that they should be allowed corresponding stocks with liberty to consume part of them if they chose to do so. This device would have greatly increased consumption in the United States at the expense of consumers in the United Kingdom and Canada and could have been renewed year after year.

The third difficulty concerned apportionment. It was agreed to dispose of the thorny problem of military supplies by treating one military consumer as equivalent to two civilian consumers. The United States representatives steadily raised the number of their military consumers until a total of 16,000,000 was reached. This should represent a weighted average of the numbers to be fed for a complete year. It was agreed that the sugar should be equally shared on a per capita basis among the three countries but the United States contended that the agreement should speak as from the end of the first quarter, during which United States consumption had been high, rather than as from the commencement of the year. This contention ran directly counter to an agreement made at the Combined Food Board Sugar Committee in November, 1944, but the United States representative in the final meeting, speaking with the authority of Mr. Crowley,[224] made it clear that if they were expected to adhere to this agreement they would be very cautious in committing themselves as regards meat.

The supplies of meat had to be considered as if canned meat and carcass meat were distinct commodities. The greatest difficulty arose out of the inability of the United States to furnish any information that would enable a critical judgment to be formed of their military demands. If the military demands of the United States and of the United Kingdom are treated as absolute, there would be no canned meat available for civilians in the liberated areas unless its consumption in the United States could be eliminated and its production in the United States substantially increased. At the official level it was suggested that both these steps should be taken in return for elimination of civilian consumption in Canada and the United Kingdom and on the understanding that production would be increased in Canada by 50,000,000 pounds (the equivalent of 90,000,000 pounds of carcass meat). In the final

[224]De l'Administration économique à l'étranger.
Of the Foreign Economic Administration.

discussion, however, Mr. Marvin Jones,[225] who apparently had not been kept in touch with the discussions at the official level, insisted that 220,000,000 pounds of canned meat was the maximum additional quantity which could be produced and insisted that canned meat could not be withdrawn from civilian supply without inflicting unreasonable hardship on the inhabitants of some American cities, whose consumption, he said, had fallen as low as 67 pounds per annum. In these circumstances all that could be done was to the ask the Armies to decide what quantity of canned meat, if any, they could spare for the civilians in the liberated areas in view of the fact that total supplies are 100,000,000 pounds less than the initial stated requirements of the Armies and in view of the fact that they show a disposition to exceed their original estimates. Mr. Lyttelton contended that the Armies must have a reserve against submarine risks which could be distributed when the submarine danger ceases and it was decided that the Armies should be asked for information on this point.

The problem of carcass meat was faced on the optimistic assumption that the Armies would either make no reduction in their requirements of canned meat or that, if they did, they would not ask for additional supplies of carcass meat to replace the canned meat which they agreed to forgo. Taking this as a point of departure, the immediate problem was how to maintain the United Kingdom basic meat ration of 106 pounds per head per annum after the points rationing had been sacrificed by turning over all canned meat to the Armies. The United States began by pointing to their low consumption figures and by professing to be unable to supply any carcass meat to the United Kingdom this year in addition to what has been allocated for the first two quarters. Mr. Gardiner stated that Canada would like to go as low as the United States in per capita consumption figures, whatever reduction this might mean, but that it was futile to reduce consumption unless at the same time more meat could be made available for export. He contended that measures designed solely to reduce consumption might actually reduce the quantities of meat available for export. He ended by offering to do his best to supply 50,000,000 pounds of meat in addition to the canned meat referred to above, making Canada's contribution in carcass meat 140,000,000 pounds over a nine-month period, which is the equivalent of furnishing additional meat at the rate of 200,000,000 pounds per annum.

The United States representatives, after consultation, agreed to make available to the United Kingdom in the fourth quarter, if the surplus which they anticipated were realized, 268,000,000 pounds of carcass meat, which would include 111,000,000 which they are said to owe to the United Kingdom by way of replacement of supplies which the United States Armed Forces in the Pacific have received from Australia and New Zealand. These offers left the United Kingdom with a prospective deficit of 118,000,000 pounds of meat and it was suggested that an endeavour should be made to obtain this additional quantity from the Argentine. On this understanding the United Kingdom Ministers "agreed to be good boys" about sugar, meaning thereby

[225]Administrateur en temps de guerre de l'alimentation des États-Unis.
War Food Administrator of United States.

that they would agree to equal per capita sugar allocation with the United States for the remaining nine months of the year.

This method of allocating sugar presses rather heavily on Canada where the consumption in the first quarter of the year is seasonally low. It was, therefore, agreed that an additional allocation of sugar of from 6,000 to 9,000 tons should be made to Canada. It should perhaps be noted that, while the per capita allocations of all three countries are equal, the amount available per capita for civilians in the United States will presumably be lower than the amount available for civilians in the United Kingdom because of the higher military consumption of the United States Army.

We did not remain for the discussions on fats and oils, in which it seems probable that each of the three countries would be asked to make a sacrifice of some 15% of its requirements.

Canada practically agreed to forgo the civilian consumption of rice in order to make this food available for countries in which it is the basic foodstuff. Rice presents peculiar difficulties because it may prove to be a limiting factor on the time-table of military operations in the Pacific and it may be that the Armies will have to be asked to take care not to liberate the rice-consuming countries before they liberate the countries in which rice is produced.

It was not expected that a discussion of dairy products would occasion any difficulties.

Some consideration was given to wheat although it is not in short supply. The difficulty is one of transportation and comprehensive plans are being worked out to move as much as possible to Europe. These can be successfully carried into execution only if Canadian and United States wheat can be made available if and when required for loading. This decision has some implications in the case of the financing of military relief and its importance was fully recognized by the Mutual Aid Board at its meeting on the morning of April 23rd when authority was given to ship 500 tons additional wheat in May.

In general it should be borne in mind that the recent discussions were not concerned with finance but with physical supply and that even so far as physical supply is concerned they dealt only with overall allocation. They will, therefore, have to be supplemented by detailed decisions as to destination and source of particular parcels of supply so as to give effect to the overall allocations which have been accepted. This is work which will be done in the main by the Commodities Committee of the Combined Food Board.

H. F. A[NGUS]

1297. DEA/7663-40

L'officier administratif canadien, la Commission composée de l'alimentation, à l'adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures

Canadian Executive Officer, Combined Food Board, to Special Wartime Assistant to Under-Secretary of State for External Affairs

TOP SECRET Washington, April 26, 1945

Dear Mr. Angus,

TRIPARTITE DISCUSSIONS ON FOOD

I am enclosing herewith the only three spare copies I have of a note for Dominions' Representatives, which was handed to us this morning when Messrs. Lyttelton and Llewellin explained the outcome of the present discussions on world food supplies with the Representatives of the Dominions. Mr. Mahoney and Mr. Ritchie were also in attendance from the Canadian Embassy.

I think the note is probably complete, except that it does not indicate sufficiently the seriousness of the position which was brought out more clearly in the discussions with the British Ministers.

The Tripartite Committee is meeting again this afternoon on the Ministerial Level in what may prove to be a final discussion. Briefly, the position as I see it, subject to further amplification following today's meeting, is as follows:

1. *Sugar*—The arrangements are as complete as can be, as indicated in my teletype WA-2175 of April 24th.† Following discussions with Mr. Taylor by telephone yesterday, I inserted in the minutes of yesterday's meeting, when we finalized the sugar position, the condition that we had asked to be included in the early stages of our discussions, that is, that when the matter is again looked into prior to the first of June due consideration should be given to the Canadian request to have the underusage in the first quarter partially offset by an additional 6,000 to 9,000 tons allocation. At the meeting I pointed out that the present cutback in consumption of the three countries would leave us with the biggest percentage cutback.

2. *Oils and Fats*—The deficit is substantial and it was indicated at this morning's meeting that the position might be further jeopardized by the newest estimate of the ground nut crop in India and increased demands in that area. Briefly, however, on the basis of our knowledge of the position up to yesterday, by a severe reduction in the United Kingdom stocks and a decrease in consumption of about four per cent over the year 1945, we can meet the present requirements and still give the liberated areas reasonably useful quantities.

3. *Meat*—The meat position has not been resolved to the satisfaction of the United Kingdom. The problem is still one of canned meat and so far the United States military authorities have not indicated any willingness to discuss their

requirements or offer any of their supplies. The United States War Food Administrator is unwilling to go further in civilian reduction in the United States, and in any event additional supplies from the United States will not likely be available until the last quarter of the year.

4. *Rice*—This is an extremely difficult problem, completely incapable of solution insofar as I can see unless the military authorities concerned are promptly advised of the position and agree to consider ways and means of liberating rice producing areas in the Pacific at the earliest possible opportunity. Insofar as Canada is concerned, I think we can expect that there will be no further supplies of rice available for civilians, except for the small oriental population.

5. *Dairy Products*—The main shortage is in evaporated milk. The problem in the United States seems to be largely one of providing containers, i.e., boxes. I feel we may be asked to forego some of our present rate of civilian consumption, and in any event I am confident that any quantity we can provide will be used to advantage by UNRRA and the paying countries. Cheese supplies and requirements do not quite balance either, and any contribution we can make in that direction would be extremely useful. The United Kingdom expects to have to cut their winter ration of three ounces to their present two-ounce ration per week. There is some hope of increased supplies from New Zealand as compared with last year. Liberated areas have small demands, providing they can take soft cheese, and you may want to think of ways and means of making as much available as possible from Canadian production this year.

As you are aware, I am sending forward the reports as they are received.

Yours sincerely,

G. R. PATERSON

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum des représentants de Grande-Bretagne aux discussions sur l'alimentation, Washington, au représentants des Dominions

Memorandum from Representatives of Great Britain to Discussions on Food Supplies, Washington, to Representatives of the Dominions

TOP SECRET Washington, April 26, 1945

TRIPARTITE DISCUSSIONS ON FOOD

SUGAR

The U.K., U.S. and Canadian representatives have examined world supplies and world requirements for 1945. These showed a deficit of 910,000 tons. To eliminate the deficit, they first reviewed the requirements of liberated areas, neutrals and Russia.

After scrutiny the requirements for liberated areas were fixed at 936,000 tons giving an average rate of consumption far lower than pre-war. Requirements of European neutrals have also been reduced and it appears unlikely that further supplies will be available for the U.S.S.R.[226]

Even after these steps have been taken a substantial deficit remains. The U.S., U.K. and Canada have agreed to reduce their requirements to achieve equality of consumption between the three countries. This will result in a rate of consumption for civilians in the three countries of 70.8 pounds per head compared with pre-war levels of consumption of 104 pounds per head in the U.K. 96.5 in the U.S. and 95.5 in Canada. In addition, the U.K. will contribute from its stocks 310,000 tons during 1945 with a possible additional 50,000 tons in so far as other countries in the L.F.C.[227] area are unable to make their appropriate contribution to the common savings.

Although these arrangements substantially eliminate the deficit, there is a serious danger that the estimated supplies will not be achieved. Latest reports from certain producing countries (e.g. Cuba) suggest that the expected output will not materialize. This would involve further falls in the rate of consumption in the three countries unless corresponding economies can be achieved elsewhere.

Moreover, in preparing the estimates of supplies and requirements, the U.K. representatives have undertaken to appeal to the countries covered by the London Food Council to make corresponding contributions to meet the deficit, in the hope that a contribution in the neighbourhood of 140,000 tons can be made available from these territories by reduced consumption. This would be equivalent to a reduction in current consumption of something between fifteen and twenty per cent. Unless economy on this scale can be achieved, the U.K. will have to face further cuts in its consumption or the minimum needs of the liberated areas which are particularly short of food at present, will have to be reduced. Any reduction in standard of consumption in L.F.C. countries would thus be a direct contribution to helping the liberated areas.

OILS AND FATS

The deficit in oils and fats (excluding butter) for 1945 was estimated to be 1,247,000 tons. As a result of reduction in supplies to the liberated areas, the elimination of certain duplications, the reduction of exports from the U.S.A. to Latin America; the reduction of exports to the U.S.S.R.; and taking certain optimistic estimates of production and liftings, the deficit was reduced to approximately 545,000 tons.

To meet this deficit, the U.K. is reducing its stocks during 1945 by 245,000 tons and has undertaken to make a further reduction of 100,000 tons during the period from 1st July, 1945, to 1st June, 1946. This is on condition that a new allocation programme shall be prepared covering the twelve months

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[226]Note marginale:
Marginal note:
Very Top Secret.

[227]London Food Council.

beginning 1st July, 1945, which provides for any necessary reduction in levels of consumption of the three countries on a basis of equality. But although the deficit had been eliminated, no contribution has so far been asked for from the countries of the London Food Council Areas. It is clear that supplies will not be achieved and further reductions in consumption will be necessary. The U.K. has undertaken to approach the countries of the London Food Council area with the most urgent plea that they will contribute to this position. In addition, it is hoped that an extra 200,000 tons of ground nuts will be provided from India. It is hoped that this will be forthcoming. The supply and demand position for the first half of 1945 appears particularly difficult. Early in 1946 stocks will have been reduced to around their lowest point. It is therefore essential that all countries should make every effort to achieve the maximum economies and [*in?*] consumption from the present up to at least the middle of next year. In addition, it is essential that producing countries should do everything in their power to increase their production.

MEAT

The total meat deficit is estimated at 2.5 billion pounds. Over ninety per cent. of this deficit is in the form of canned meat which is mainly required for the military. The question of a reduction in military requirements is still under consideration.

As a contribution towards meeting the deficit, the U.K. has expressed its willingness to reduce its standard of consumption to an average of 106.4 pounds per head as compared with a pre-war figure of 133. As 106.4 is the annual average rate, the actual rate of consumption during the latter part of the year will be under 100. Canada has undertaken to make substantial additional quantities of meat available for export by reducing her civilian consumption. The domestic supply position in the U.S.A. is such that U.S.A. consumption will be heavily reduced in 1945 as compared with 1944, although the average rate throughout the year will still be over 125 pounds per head with a figure of approximately 120 pounds for the balance of the year. The U.S.A. has found it necessary very substantially to reduce the amount of meat available for export during the whole year, and can make nothing available during the third quarter.

In addition to the reduction in the level of consumption in the U.K., meat stocks there will be run down to their absolute minimum. It is likely to prove very difficult to maintain the meat and bacon rations, particularly during the third quarter when no supplies will be available from the U.S. The U.K. need for additional imports will therefore be great throughout the remainder of the year, but especially during the third quarter, and any contribution which the producing countries can make, either by reducing their own consumption or making extra quantities available from their stocks, will be most gratefully accepted.

The provision of meat for the liberated areas is linked with the question of military requirements. Until a review of military requirements has been carried out, it is impossible to say what quantities will be available for liberated areas.

OTHER FOODS

The other main foodstuffs in critically short supply are rice, and dairy products.

As regards *rice*, the present position is that, without any large demand from liberated areas in the Far East, there is already a severe shortage in Ceylon for example. Unless additional supplies can be secured in the very near future, the rice ration will have to be halved, with a consequent risk that the production of rubber, tea and vegetable oils will decline. Similarly, in the sugar producing countries of the Carribean, which are traditionally rice eating, the difficulties of assuring adequate supplies are very great.

Consideration is being given to the complete elimination of the consumption of rice in the U.K. and in Canada. Australia has already removed rice from normal civilian consumption. Every further economy that can be made in the consumption of rice by countries which are not dependent upon rice as a major standard article of diet, is urgently needed in order to maintain the position of those countries to which rice is essential.

As regards the possible future Far Eastern demand, there appears to be no possibility of meeting this until the pre-war rice export areas, i.e., Burma, Siam, Indo-China and Formosa, have been liberated and their rice industries rehabilitated.

As regards *dairy products*, the main shortage is in evaporated and condensed milk and in cheese. Here again, every possible contribution that can be made in the direction of decreasing consumption or increasing production will be of the greatest assistance to the normal importing countries and particularly to the liberated areas.

1298. DEA/2295-BH-40

La mission canadienne conjointe des états-majors, Washington, au secrétaire, le Comité des chefs d'états-majors

Canadian Joint Staff Mission, Washington, to Secretary, Chiefs of Staff Committee

TELEGRAM JS.28 Washington, June 4, 1945

IMMEDIATE. SECRET. 1. The Combined Chiefs of Staff have requested that the following be communicated to the Cdn. Dept. of External Affairs.

2. The Supreme Commander, Allied Expeditionary Force SCAEF has reported that the non-availability of certain foodstuffs, other than wheat and flour, for the population of liberated countries of Northwest Europe and for displaced Allied nationals in Germany is causing grave concern. He estimated that there would be a deficit of those foodstuffs amounting [to] 126,000 tons in respect of Supreme Headquarters, Allied Expeditionary Force minimum needs

for the period May, June and July. The principal items are fats, pulses, milk and canned meat.

3. As the result of adjustments and of emergency measures to meet this situation, it is anticipated that a part of the deficit will be made available in the United States for loading in June and the first half of July. The remaining deficit is estimated at approximately 78,000 tons of which a considerable portion will be fats and the remainder pulses, milk and canned meat.

4. Every effort within the competence of the combined military authorities is being and will be made further to reduce the deficit, but it must at present be assumed that a substantial deficit will remain as the result of the present inability of the appropriate supply authorities of the United States, the United Kingdom and Canada to indicate availabilities of supplies to meet the remaining deficiencies.

5. As a consequence, there is likely to be an inadequate supply of items of food other than cereals for the minimum needs of liberated countries of Northwest Europe and for displaced persons of the United Nations in Germany under the control of SCAEF. SCAEF has recommended that, if remedial action cannot be taken, the Allied Governments concerned should be notified of the facts through diplomatic channels at the earliest possible moment. The Combined Chiefs of Staff are in agreement with this recommendation.

6. You may, therefore, consider that it would be desirable, unless through your assistance further effective availabilities can be indicated, to warn the Allied Governments concerned of the general situation and of the consequent probable inability of the military authorities to meet civil affairs requirements of their respective countries and of United Nations displaced persons in Germany.

7. SCAEF has been instructed to keep the Allied Governments informed of the details of anticipated deficits so that they may make such adjustments in rations as may be necessary. You may wish so to inform the Allied Governments. At the same time, it is recommended that in any communications you may make to the Allied Governments, you should stress the importance of their doing everything possible to meet the present supply shortage by making the fullest use of indigenous production.

1299. DEA/2295-BH-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELETYPE EX-2111 Ottawa, June 6, 1945

SECRET. Following for Ritchie from Angus, Begins: Your WA-2934 of June 5th,† General Eisenhower's telegram.[228] The communication from the Combined Chiefs of Staff has been received. In paragraph 6 this communication suggests that the Canadian Government may consider it desirable to warn the Allied Governments concerned of the general situation. We should appreciate being informed whether the United States and United Kingdom authorities contemplate issuing such a warning.

If a warning is to be given it is our view that the best course would be for the United States, as the largest financial contributor to relief supplies, to write on behalf of the other two countries. We should be prepared to authorize the United States authorities to say that they were writing with our concurrence if the United Kingdom authorities were prepared to give their concurrence as well.

We consider that it would be very cumbersome for the three countries to send identical notes as they did when they informed the countries receiving military relief that they would be expected to pay for it.[229] In the present case we do not think that there is anything to justify the use of this cumbersome procedure. If, however, the other two countries prefer to write identical notes, we should probably follow the same course.

The worst solution of all would be to communicate three different versions of the story to the Allied Governments concerned and if the United Kingdom and United States Governments are not prepared to agree either on a joint note or on identical notes we should probably pass the matter over in silence on the ground that an adequate warning had been given by the other two contributors. Ends.

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[228]Voir le document précédent.
See preceding document.

[229]Voir le document 1102.
See Document 1102.

1300. DEA/7472-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-2964 Washington, June 7, 1945

IMMEDIATE. Following for Dr. G. S. H. Barton, Deputy Minister, Department of Agriculture, and H. F. Angus, External Affairs, from Paterson, Begins: With reference to our telephone discussions this morning regarding the London Conference to be held on June 12th and 13th, I am quoting herewith in full a letter which I have just received from Hutton, Head of the British Food Mission, confirming his telephone call to me last night and my outline of the position to you this morning:

"Last night I telephoned you to inform you that the Ministers of Food and the Ministers of Agriculture of a number of European countries have been invited to attend a Conference to be held in London on June 12th. The invitations were sent to the Belgian, French Provisional, Netherlands, Norwegian, Danish and Luxembourg Governments, and subsequently (with slightly different wording) to the Greek, Yugoslav, Czech and Russian Governments.

The purpose of the Conference, which it is believed will take not more than two days, is to impress upon the representatives of European Governments the extreme gravity of the international food situation and the imperative necessity that each European country should do all within its power to mobilize its own food supplies and thus to reduce its import requirements.

I have been asked by the Minister of Food to inform you of this meeting and to suggest to you that the presence of a Canadian representative at the London meeting would be most welcome.

I must here insert an official apology for the very short notice in advising you of this meeting. I realize that it will be a matter of very great difficulty for the Canadian Government to send a representative to London in time for the meeting, should the Canadian Government decide that it would wish to be represented. It is not, of course, for me to make any suggestions as to who might represent your Government, but it may not be improper for me to state that the presence of Dr. Barton at the London meeting would be most welcome to the Minister of Food. I realize, however, that Dr. Barton is a busy man, and that he probably cannot be spared from Ottawa at this moment. It might be that you yourself would be able to go to London for a very brief visit. Your knowledge of both of the Canadian and American food situation and the fact that you were present at the recent tripartite discussions constitutes, of course, a most valuable background.

I should add that the United States Government has been invited to send a representative to the meeting also.

There is one other development which I should draw to your attention.

At the end of May, the European Emergency Economic Committee held its first meeting. This meeting seems to have gone fairly well. As I understand the position, at that meeting there was some talk of the establishment of a Sub-Committee on Food and Agriculture. I believe that at the meeting which was held in London yesterday, consideration was to be given to the terms of reference, constitution, purpose, and so forth of the Sub-Committee. From advice I have received from the Ministry of Food, it seems pretty certain that the Sub-Committee will be established, although I have not had any official confirmation to that effect as yet.

This development occurred at a time when British Ministers had themselves been considering the desirability of explaining the international food situation, as they saw it, in the light of the Washington discussions, to the Ministers of the Executive Departments of the various European Governments who were concerned with food and agriculture. The short notice at which the meeting of Ministers has been called is, I understand, due to the desire of British Ministers to infuse vigour from the outset into the deliberations of the E.E.E.C. Sub-Committee.

Finally, I should tell you that as far as the Ministry of Food is concerned, they are determined that the E.E.E.C. Sub-Committee will deal only with general matters of common interest. It will not deal with the allocation of particular commodities. In no way will it, so to speak, poach upon the work of the Combined Food Board. The main idea will be to see that each country helps itself and helps its neighbours to the maximum possible degree by the pursuit of domestic policies which are appropriate to the circumstances of today.

Let me close by advising you that if the Canadian Government should decide to send a representative, our Embassy in Washington will do its utmost to assist in securing air passage, if this should be desired.

In closing, let me repeat the apologies for the very short notice which you are being given regarding this Conference. I believe that official information is being sent to the Government of Canada by the Dominions Office."

Hutton has arranged for air priority for me on B.O.A.C. leaving Saturday. I anticipate receiving priority for passage returning at the end of next week in order to keep my engagement at Guelph during the following week.

I shall be pleased to have from you tomorrow any information or instructions that would be useful in my participation in this Conference. Ends.

1301. DEA/7472-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State of External Affairs to High Commissioner in Great Britain

TELEGRAM 1341 Ottawa, June 8, 1945

On instructions from the Minister of Food, Maurice Hutton on June 7 informed the Canadian Executive Officer of the Combined Food Board, George Paterson, that the presence of a Canadian representative would be welcomed at a conference to be held in London on June 12th of the Ministers of Food and the Ministers of Agriculture of a number of European countries. Paterson has been authorized to attend in his capacity as Canadian Executive Officer of the Combined Food Board.

Action in this matter has had to be taken without receiving the official information which Hutton says is being sent to the Government of Canada by the Dominions Office. As some of the phrases in Hutton's letter suggest that Canadian governmental representation is desired, it would be appreciated if you will make it clear to the United Kingdom authorities that the brevity of notice made it impossible to arrange for governmental participation at the level contemplated in the case of the European governments. Paterson will be attending rather in the capacity of an observer, who will be in a position to supply information concerning the food situation in Canada and Canadian ability to export food. It is hoped that this explanation will avoid Paterson being placed in an embarrassing position. He cannot, of course, be expected to enter into any commitments on behalf of Canada.

1302. DEA/2295-BH-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELETYPE WA-3042 Washington, June 11, 1945

Following for Angus from Ritchie, Begins: Your EX-2111 of June 6th, General Eisenhower's telegram concerning inadequacy of supplies available to him for feeding liberated countries of northwest Europe and displaced Allied nationals in Germany.

Following your conversation with Paterson concerning the proposed meeting of the Allied Food Ministers in London on June 14th[230] we suggested to the United Kingdom Military and Civilian representatives that this meeting might

[230]La réunion avait été retardée du 12 au 14 juin.
The meeting was postponed from June 12 to 14.

satisfactorily serve the purpose for which the letter requested by the Combined Chiefs of Staff had been intended. As indicated to you in our telephone conversation this morning the United Kingdom Embassy and the State Department agree that this will provide a suitable occasion for the issuance of the warning desired by SHAEF. You will doubtless wish to advise our representatives at this meeting.

The following is the text of the telegram which the United Kingdom Embassy has addressed to the Foreign Office on the subject, Begins:

"We have discussed with the State Department the question of a statement to be made to the Allied Governments on the lines proposed in this letter from the Combined Chiefs of Staff. We suggested that the meeting to be held with the Allied Food Ministers in London on June 14th might provide a suitable occasion for the issuance of the warning desired by SHAEF, which we suggest might take the form of a statement on the lines of the first three paragraphs and the first sentence of the fourth paragraph of the letter from the Combined Chiefs of Staff. The State Department agree and will so inform Mr. Fitzpatrick, who is to represent the United States Government at these discussions. The Canadian Embassy also consider that the meeting in London could suitably be used for this purpose.

We propose to arrange a meeting with the State Department and the Canadian Embassy at which we would seek to agree [on] reply to be sent by the three Governments to the Combined Chiefs of Staff.

Subject to your concurrence we would suggest that the reply which might be made would inform the Chiefs of Staff of the meeting shortly to be held in London and of the agenda proposed for this meeting. It would go on to state that the supplying Governments were themselves doing everything possible to maintain the flow of supplies to the Allied Governments and would emphasize the importance which the three Governments attach to an early statement by SHAEF to the Governments concerned of the supplies which they can expect to receive from him in the course of the next three months.

Please telegraph urgently whether you concur

(a) In the suggestion that the meeting to be held in London can appropriately be used to give the Allied Governments the statement requested by the C.C.S.;

(b) That such a statement might be as suggested in paragraph 2 above,

(c) In the reply suggested in paragraph 4 above to the Chiefs of Staff." Ends.

1303. DEA/2295-BH-40

Le secrétaire d'État aux Affaires extérieures au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs to High Commissioner in Great Britain

TELEGRAM 1373 Ottawa, June 13, 1945

Following for George Paterson from Angus, Begins: You will remember that Eisenhower's telegram, concerning the inadequacy of supplies available for feeding liberated countries, suggested that these countries should be notified if the supplies could not be substantially increased. The State Department and the United Kingdom representatives in Washington have agreed that this notification can conveniently be given at the Conference on Food and a recommendation has been made to the Foreign Office accordingly. The notification will probably take the form of a statement on the lines of the first three paragraphs and first sentence of the fourth paragraph of the letter from the Combined Chiefs of Staff.[231] It will be in order for you to concur in this warning.

It is probable that the three Governments will agree on a reply to the Combined Chiefs of Staff, informing them of the London meeting, stating that they are doing everything in their power to maintain the flow of supplies to the Allied Governments and asking SHAEF to inform those Governments of the supplies which they can expect to receive through SHAEF during the next three months. Ends.

1304. DEA/7472-40

L'officier administratif canadien, la Commission composée de l'alimentation, au sous-ministre de l'Agriculture

Canadian Executive Officer, Combined Food Board, to Deputy Minister of Agriculture

Washington, June 18, 1945

Dear Dr. Barton,

I am enclosing herewith in duplicate copies of the statement by Colonel Llewellin made at the Conference with Allied Ministers of Food and Agriculture in London on June 14th.[232]

At the end of the conference these statements were given to the press with certain omissions which I have marked on the copies. The omissions, you will note, for the most part refer to material dealing with military requirements.

[231] Voir le document 1298.
See Document 1298.

[232] Voir le document 1308.
See Document 1308.

The meetings were quite successful from the standpoint of putting across to the European countries represented the present position insofar as the member countries of the Combined Food Board find it. A special emphasis was placed upon the need of continuing co-operation in order to divide up the available supplies as equitably as possible, taking into account availability of shipping, etc.

I am also enclosing in duplicate a statement made by United Kingdom authorities on wartime agricultural marketing policy in the United Kingdom which was submitted to the allied governments present.[†]

At the conclusion of the conference the allied governments were asked to make a statement for the press covering the position in their respective countries. Unfortunately these statements were not ready by my departure time and therefore I was only able to make arrangements for Mr. Broadley to forward same as soon as possible by diplomatic bag. As soon as I have received them I will let you have copies.

Briefly the position indicated by the European countries present was as follows:

Netherlands

Fertilizers and feedingstuffs needed very badly. Pigs at present only 15% of prewar in total live weight. About two-thirds of the dairy cattle left—no beef cattle. Their biggest problem is to reverse the black market procedure which was considered patriotic during the time of occupation. Once they can get to the point where bread and potatoes can be de-rationed they believe that the morale of the people will be greatly improved. They are very much concerned with the problem of getting the indigenous production of the country into equitable distribution.

Czechoslovakia

No precise figures but indicated that it has not been possible to sow grain and plant potatoes this year, and that their livestock numbers were greatly reduced.

Belgium

Biggest problem fertilizers and feedingstuffs. Small farms, as you know, and again the difficulty of black marketing. In private conversation with them, I believe the position has very much improved in recent months. There is still need of food however.

Cattle population reduced from 2 million to 1.4 million, and dairy cattle reduced from 1.2 million to .8 million. Weight of animals and production capacity very much reduced. Pigs reduced from 1.5 million to .5 million; Sheep from 900,000 to 210,000.

They need 50,000 tons of feedingstuffs per month; fats position bad; sugar serious; cheese very bad.

Luxembourg

Largely a matter of feedingstuffs and machinery. Their 1945 production only about 50 to 55% of normal capacity. Labour is a problem. In the late offensive they lost about 3,500 horses and 35,000 head of cattle, which they would like to have at least partially reinstated. They need wheat for two months, and they figure their 1945 harvest will be good for 50% of their requirements. Given the tools they believe that 1946 will see them 90% self-sufficient.

France

The French delegation were not very direct in their discussion of the problem. They seemed more concerned with pointing out that the Combined Food Board was not performing its functions satisfactorily and that liberated areas were only considered by the Board as residual claimants. They urged priority for liberated areas. However, they did agree that such things as competitive buying should be avoided as far as possible.

They spoke of fertilizers and machinery as being very important, but in private conversation they told me their wheat requirements were now raised to 4,000,000 tons in view, principally, of the North African crop failure. They don't seem to realize that it was completely impossible to move this quantity in the time specified.

Norway

No comments, but in private conversation with their Minister I was led to believe that the position was much better than they anticipated. They have apparently commandeered a lot of German stores and this will help them over a short period of time—probably until this harvest, but they will need certain types of commodities very badly.

Greece

Greece normally produced commodities of certain types for export such as currants, and depended on imports for 35% of their wheat, 90% of their rice and 50% of their beans and peas. Production now only 25% of prewar due to a great displacement of agricultural population. Transport and communications very bad. Very urgently require road transport.

They spoke particularly of insecticides and fertilizers. They stated that 65% of their cattle had been lost, 50% of their horses, 65% of their sheep and 90% of their poultry and pigs. I understand there is some item in the armistice terms whereby Bulgaria is to replace livestock stolen, but there seems to be some difficulty in having this replacement implemented.

Denmark

This, as probably to be expected, was the one bright spot in the whole picture as far as foodstuffs are concerned. They stated that they had been able to retain most of their cattle population, and although production was down, given feeds they could soon increase for export. Their pig population was about 60% of prewar; poultry well down. They stated they require feedingstuffs to make yields greater, and their Minister of Commerce stated that the Danish

Government was going to reduce the rations in order to augment foods in the needy countries. They will do their best to get down to British levels, with due reference to climatic conditions and customs of the people. They are afraid of the black market if drastic cuts are made.

Their producing machinery is intact; the yields of their herds about 25% below prewar. Out of the 1944-45 crop year they estimate surpluses for export as follows:

Butter	37,000 tons
Bacon and Pork	25,000 tons
Meat	7,500 tons
Cheese	700 to 800 tons
Eggs	4,000 to 5,000 tons
Horses	7,000 head

They are asking for 200,000 tons of oil cakes and 200,000 tons of grain, and figure that, if given same, their increase for export will be significant.

I have only one copy of the agenda of the meetings and I am enclosing it herewith.†

Yours faithfully,

G. R. PATERSON

1305. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, June 26, 1945

. . .

WORLD FOOD SUPPLIES; U.K.-U.S.-CANADA CONVERSATIONS; MEMORANDUM OF UNDERSTANDING[233]

4. THE MINISTER OF FINANCE, referring to the discussions in Cabinet on May 24th, pointed out that the Minister of Agriculture had reported that the Memorandum of Understanding represented not a firm commitment but an objective which would be subject to modification in the light of changing circumstances. Mr. Gardiner had suggested that, subject to minor modification, the Memorandum should be approved.

---

[233]Pour le texte du mémorandum d'accord du 27 avril 1945 voir États-Unis, *Foreign Relations of the United States*, 1945, volume II, Washington, U.S. Government Printing Office, 1967, pp. 1086-7.
For the text of the Memorandum of Understanding see United States, *Foreign Relations of the United States*, 1945, Volume II, Washington, U.S. Government Printing Office, 1967, pp. 1086-7.

5. THE CABINET, after discussion, approved the Memorandum, subject to the amendment of Section III—MEAT, paragraph 6[234] to read:

"The Canadian Government undertakes to make an effort to provide an additional quantity estimated at least 25,000,000 lbs. of carcass meat to the United Kingdom and 90,000,000 lbs. of canned meat for liberated areas."

...

1306. PCO

Extrait des Conclusion du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, June 28, 1945

. . .

FOOD POSITION IN CANADA; MEAT RATIONING

1. THE MINISTER OF FINANCE referred to the memorandum which had been submitted to the Cabinet at the meeting of June 26th regarding international allocation of food, with special reference to meat and to the Belgian request for assistance in procuring meat.

This memorandum had been prepared by the Chairman of the Food Requirements Committee as the result of a number of questions which had been raised by different Ministers as to the effect and functioning of meat rationing in Canada, if and when the government decided to impose it. The reasons in favour of such a decision were—humanitarian, i.e., in the interests of the liberated countries in order that our obligations to the other members of the Combined Food Board could be fulfilled, that the good name of Canada should be maintained in the United States, and, from the purely domestic viewpoint, to prevent maldistribution within Canada and a serious deterioration in the price situation.

(Memorandum for Cabinet, June 25, 1945, Cabinet document 9.)†

2. MR. ILSLEY said that the whole problem involved difficult and complicated questions, many of which could only be answered by officials concerned. This was particularly true of slaughter control, and it was, therefore, suggested that Ministers meet with the experts in order to get a clear conception of what was involved.

3. THE CABINET, after considerable discussion, agreed that a special committee be appointed, to consist of the following Ministers:

The Minister of Finance (Convenor),
The Minister of Justice,
The Minister of Labour,

---

[234]Dans le projet original, le paragraphe commença comme suit:
In the original draft, the paragraph began as follows:
The Canadian Government undertakes to make available an additional quantity...

The Minister of Fisheries,
The Minster of National Health and Welfare,
The Secretary of State and
The Minister of National War Services;

the committee to meet to consider in detail, with officials concerned, the various questions involved, with a view to reporting back to the Cabinet at the first opportunity.

...

1307. PCO

Extrait des Conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET Ottawa, July 3, 1945

...

FOOD POSITION IN CANADA; MEAT RATIONING

16. THE MINISTER OF FINANCE, referring to the decision of the Cabinet on Thursday, June 28th, submitted and commented upon recommendations from a sub-Committee of the Cabinet, appointed to report upon policy in respect to meat rationing.

(Report of sub-Committee of Cabinet, June 30, 1945.)†

17. MR. ILSLEY pointed out that while arrangements for rationing could not be ready for two months or more, an early government announcement was desirable, and submitted a draft statement prepared in this connection.

18. THE MINISTER OF JUSTICE pointed out that, if meat rationing should be introduced, the amount of the ration could be left undetermined for the present, since there appeared to be a possibility that larger quantities of meat might come on the market during the next two months.

19. THE CABINET, after discussion, agreed, subject to the concurrence of the Prime Minister:

(a) that slaughter control be established immediately;

(b) that meat rationing be reintroduced as soon as the necessary arrangements could be completed;

(c) that two meatless days a week be introduced and an appeal be made to the public immediately to reduce voluntarily their consumption of meat;

(d) that an embargo be placed upon the export of sheep and lambs; and

(e) that a suitable announcement be made by the Prime Minister.[235]

...

[235] Un communiqué de presse fut émis le 4 juillet.
A press release was issued on July 4.

1308. DEA/7472-40

Le Comité des chefs d'états-major au secrétaire, la mission canadienne conjointe des états-majors, Washington

Chief of Staff Committee to Secretary, Canadian Joint Staff Mission, Washington

TELEGRAM CSC 18 Ottawa, July 4, 1945

SECRET. For CJSM Washington from CSC Ottawa.

Your JS. 28.[216] The Department of External Affairs have requested that the following be communicated to the Combined Chiefs of Staff. Begins:

We refer to the letter of the Combined Chiefs of Staff of June 2nd, on the subject of the inadequacy of supplies available for feeding liberated countries of Northwest Europe and displaced Allied nationals in Germany.

It was agreed, in consultation with the authorities of the United States and of the United Kingdom, that the Governments of the liberated countries of Northwest Europe be informed of shortages of supplies at the meeting of Allied Ministers of Food, which was held in London on June 14th. At that meeting Colonel Llewellin, United Kingdom Minister of Food, made the following statement with the concurrence of the United States and Canadian Governments:

"Owing to shipping and other problems there have been considerable difficulties in providing the total quantity of food which SHAEF requires for distribution through its civil affairs organization in the liberated countries during the coming months. It is estimated that the quantities due for shipment during May, June, and July will fall short of requirements by about 126,000 tons. The principal items in which there will be a deficit will be fats, pulses, milk and canned meat. I should point out that the bulk of these shipments would be due for arrival in July and August, when the new harvest is ready for collection. Every effort will be made to hurry on such supplies as are available. The fact that the quantities are not shipped in May, June and July will not make any difference to the total quantities of food which have been set aside for the liberated areas in 1945. They will be allocated and shipped as soon as possible. Insofar as SHAEF has ceased to be responsible for food import requirements for particular territories, the quantities will then be allocated to the national governments concerned."

The supply authorities of the United States, the United Kingdom and Canada are making every possible effort to provide supplies to the Allied Governments, either directly or by assisting the military authorities to meet the sustenance of the civilian population. To integrate the supply programmes of the national governments with civil affairs programmes and to facilitate the transfer of military responsibility to the liberated countries, it is of great importance that the Supreme Headquarters Allied Governments Expeditionary

[216] Voir le document 1298.
See Document 1298.

Forces should inform the Allied Governments concerned as soon as possible of the supplies which they can expect to receive in the next three months from civil affairs programmes. Ends.

INDEX

A

AFRIQUE DU SUD:
—titre du représentant au Canada: 59-67

AIDE MUTUELLE:
—abandon du Comité conjoint d'aide en temps de guerre: 759-60
—Antilles britanniques: 484-97
—Australie: 473-84
—Chine: 497-530
—France: 530-9
—Inde: 715-31
—Nouvelle-Zélande: 732-4
—Union soviétique: 734-58

ALEXANDER, FELD-MARÉCHAL SIR HAROLD:
—nommé gouverneur général: 1-7

ALLEMAGNE:
—protection des intérêts au Canada: 101-5

ALLIÉS, COOPÉRATION AVEC:
—commandements en chef alliés: 178-214
—Conférence de Québec: 267-71
—organisations de guerre composées: 214-67

ANTILLES BRITANNIQUES:
—aide mutuelle: 484-97

ARGENTINE:
—échange d'ambassades: 7-10

AUSTRALIE:
—aide mutuelle: 473-84

B

BELGIQUE:
—nomination d'un ambassadeur canadien: 10-13

BISSETT, C. S.:
—nommé consul général par intérim au Venezuela: 95

C

CAPITULATION SANS CONDITIONS: 128-31

CHILI:
—échange d'ambassades: 13-14

CHINE:
—aide mutuelle: 497-530

CHIPMAN, WARWICK:
—nommé ambassadeur au Chili: 14
—nommé ambassadeur en Argentine: 9

COMMERCE, MINISTÈRE DU:
—relations avec le ministère des Affaires extérieures: 116-21

COMMISSION CONSULTATIVE POUR L'EXTRÊME-ORIENT: 980-1009

CONFÉRENCE DE QUÉBEC: 267-71

CONFÉRENCE DES MINISTRES DES AFFAIRES ÉTRANGÈRES, MOSCOU: 1096-1101

CONSEIL DES MINISTRES DES AFFAIRES ÉTRANGÈRES: 795-827

CRIMES DE GUERRE:
—Asie: 1035-43
—Commission d'enquête des Nations Unies:
—participation canadienne: 1012-34

CUBA:
—échange de légations: 15-16

D

DANEMARK:
—échange de légations: 16-18

DE GAULLE, GÉNÉRAL CHARLES:
—visite au Canada: 157-63

DUPUY, PIERRE:
—nommé ministre aux Pays-Bas: 50-1

E

ESPAGNE:
—proposition d'échange de missions: 67-8

ÉTATS-UNIS:
—affectation d'un vice-consul à Portland, au Maine: 89-94
—coopération avec le Canada dans le cadre du programme d'aide mutuelle:
—abandon du Comité conjoint d'aide en temps de guerre: 759-60
—disposition de surplus de guerre: 775-81
—nomination d'un ambassadeur canadien: 76-8
—représentation consulaire: 78-94

F

Fiderkiewicz, Alfred:
—proposition de nomination au poste de ministre de la Pologne au Canada: 57-8

Foote, J. D.:
—nommé vice-consul à Portland, au Maine: 90-4

Forces armées canadiennes:
—armée:
—participation aux opérations: 322-9, 345-6
—recours en Grèce: 337-44
—relations avec les forces alliées: 178-214
—renforts: 329-33, 336-7
—rapatriement: 335-7, 346-68
—marine:
—acquisition de navires: 313-21
—participation à la guerre avec le Japon: 368-473
—participation aux activités d'occupation: 333-9, 345, 882-90, 898-942
—recrutement de Canadiens d'origine japonaise: 381-2, 425-6, 429, 437-8, 442-3, 445-6, 458-9, 470-3

France:
—administration des régions libérées: 131-48, 151-7
—aide mutuelle: 530-9
—Comité français de libération nationale:
—nomination d'un représentant canadien: 18-24
—utilisation des locaux auparavant occupés par la légation à Ottawa: 27-32
—gouvernement provisoire français:
—échange d'ambassadeurs: 33-5
—reconnaissance: 131-75
—ouverture de bureaux consulaires au Canada: 24-7
—retour du représentant canadien à Paris: 29-31
—St-Pierre-et-Miquelon:
—fermeture du consulat canadien: 32-3
—titre du représentant au Canada: 28-9

G

Glass, Lester S.:
—nommé consul général par intérim au Portugal: 68-9

Gouverneur général:
—nomination: 1-7

Grande-Bretagne:
—arrangements financiers: 539-715

Grèce:
—affectation des forces canadiennes: 337-44
—échange d'ambassadeurs: 35-9
—secours: 1600-26

I

Inde:
—aide mutuelle: 715-31
—proposition d'échange de hauts commissaires: 39-41

Italie:
—approvisionnements civils: 1626-42
—nomination d'un représentant au Canada: 42-5

J

Japon:
—protection des intérêts au Canada: 106-16

Japonais au Canada, politique envers: 1119-70

K

Kearney, John:
—nommé ministre au Danemark: 17-18
—nommé ministre en Norvège: 52

L

Laflèche, major-général L. R.:
—nommé ambassadeur en Grèce: 36-9

Laureys, Henry:
—nommé ambassadeur au Pérou: 55-6

Luxembourg:
—nomination d'un ministre canadien: 10-13

M

McCarthy, Leighton:
—nommé ambassadeur aux États-Unis: 76-8

Mexique:
—échange d'ambassades: 45-9

N

NORVÈGE:
—nomination d'un ministre canadien: 51-2

NOUVELLE-ZÉLANDE:
—aide mutuelle: 732-4

O

ORGANISATIONS DE GUERRE COMPOSÉES:
—avenir des commissions composées: 214-67
—Commission composée de l'Alimentation: 221-8, 234-5, 241-2
—Commission composée sur la production et les ressources: 230-1, 243-4
—Commission composée sur les matières premières: 228-9, 238-40

P

PAIX, RÈGLEMENT DE LA:
—Allemagne:
—conditions de capitulation: 827-82
—occupation et contrôle: 882-942
—ouverture d'une mission militaire canadienne à Berlin: 926-33
—Autriche:
—occupation et contrôle: 920-1, 926, 936, 940-2
—Bulgarie: 966
—Conseil des ministres des Affaires étrangères: 795-827
—Finlande:
—conditions de capitulation: 943-65
—Hongrie: 972
—Italie:
—négociation d'un traité de paix: 784-94, 814, 820-7
—participation du Canada au Conseil consultatif pour l'Italie: 782-4
—Japon:
—conditions de capitulation: 972-7
—occupation et contrôle: 977-1009
—Roumanie: 966-71

PASSEPORTS: 122-7

PAYS-BAS:
—nomination d'un ministre canadien: 50-1

PÉROU:
—échange d'ambassades: 46, 53-6

PLAN DE FORMATION AÉRIENNE DU COMMONWEALTH BRITANNIQUE: 271-313

POLOGNE:
—proposition d'échange de légations: 56-8

PORTUGAL:
—ouverture du consulat général du Canada: 68-9

PRISONNIERS DE GUERRE:
—acceptation par le Canada: 1102-9
—rapatriement des internés finlandais: 1114-16
—rapatriement des prisonniers de guerre allemands: 1116-18
—traitement des prisonniers de guerre italiens: 1110-14

PROTECTION DES INTÉRÊTS CANADIENS: 96-100

R

RAPATRIEMENT:
—accord avec l'Union soviétique: 1221-7, 1230-2
—rapatriement et secours offerts aux Canadiens:
—Asie: 1201-19
—Europe: 1171-1201
—transfert de personnes en Union soviétique: 1220-1, 1227-44

RÉFUGIÉS:
—admission au Canada de réfugiés juifs: 1244-62
—Allemands des Sudètes: 1265-7
—Comité intergouvernemental: 1267-86
—statut au Canada: 1262-4

RÉPARATIONS: 1044-96

S

SECOURS MILITAIRES:
—financement: 1287-1484
—fin de secours militaire en Italie: 1447-56, 1458-63, 1465-72, 1475-7
—paiement effectué par les Pays-Bas: 1478-80, 1482-4
—zone britannique en Allemagne: 1438-42, 1463-5, 1472-3, 1478

SECOURS POUR LES TERRITOIRES LIBÉRÉS:
—disponibilité des approvisionnements: 1642-92
—rationnement de la viande au Canada: 1659-63, 1669-70, 1689-90

SUISSE:
—abandon de la protection des intérêts de l'Allemagne au Canada: 101-5
—établissement d'une légation au Canada: 69-76
—protection des intérêts canadiens: 96-100
—protection des intérêts japonais au Canada: 106-16

SURPLUS DE GUERRE, LIQUIDATION:
—États-Unis: 775-81
—Grande-Bretagne et Europe: 760-75

T

TURGEON, W. F. A.:
—nommé ambassadeur en Belgique et ministre au Luxembourg: 12-3
—nommé ambassadeur au Mexique: 49

U

UNION SOVIÉTIQUE:
—aide de l'UNRRA: 1542-75
—aide mutuelle: 734-58
—entrée dans la guerre avec le Japon: 176-8
—statut international des républiques fédérées d'Union soviétique: 1009-11

UNRRA:
—contribution du Canada: 1495-6, 1529-38
—conventions sanitaires: 1576-87
—deuxième réunion du Conseil: 1484-94
—obtention des approvisionnements au Canada: 1496-1521, 1539-42
—programme futur: 1522-38
—représentation canadienne sur le Comité central: 1588-99
—secours pour la Grèce: 1619-26
—secours pour l'Union soviétique: 1542-75
—troisième réunion du Conseil: 1588-99

V

VAILLANCOURT, ÉMILE:
—nommé ministre à Cuba: 15-16

VANIER, G. P.:
—nommé ambassadeur au gouvernement provisoire français: 33-5
—nommé représentant canadien au Comité français de libération nationale: 18-24

VENEZUELA:
—ouverture du consulat général du Canada: 95

INDEX

A

ALEXANDER, FIELD MARSHAL SIR HAROLD:
—appointment as Governor General: 1-7

ALLIES, CO-OPERATION WITH:
—Combined War Organizations: 214-67
—Quebec Conference: 267-71
—Supreme Allied Commands: 178-214

ARGENTINA:
—exchange of embassies with: 7-10

ARMED FORCES, CANADIAN:
—army:
—employment in Greece: 337-44
—participation in operations: 322-29, 345-6
—reinforcements for: 329-33, 336-7
—relations with Allied forces: 178-214
—repatriation of: 335-7, 346-68
—navy:
—acquisition of ships: 313-21
—participation in organization duty: 333-9, 345, 882-90, 898-942
—participation in war with Japan: 368-473
—recruitment of Japanese Canadians: 381-2, 425-6, 429, 437-8, 442-3, 445-6, 458-9, 470-3

AUSTRALIA:
—Mutual Aid for: 473-84

B

BELGIUM:
—appointment of Ambassador in: 10-13

BISSETT, C. S.
—appointment as Acting Consul General in Venezuela: 95

BRITISH COMMONWEALTH AIR TRAINING PLAN: 271-313

BRITISH WEST INDIES:
—Mutual Aid for: 484-97

C

CHILE:
—exchange of embassies with: 13-14

CHINA:
—Mutual Aid for: 497-530

CHIPMAN, WARWICK:
—appointment as Ambassador in Argentina: 9
—appointment as Ambassador in Chile: 14

COMBINED WAR ORGANIZATIONS:
—Combined Food Board: 221-8, 234-5, 241-2
—Combined Production and Resources Board: 230-1, 243-4
—Combined Raw Materials Board: 228-9, 238-40
—future of combined boards: 214-67

CONFERENCE OF FOREIGN MINISTERS, MOSCOW: 1096-1101

COUNCIL OF FOREIGN MINISTERS: 795-827

CUBA:
—exchange of legations with: 15-16

D

DE GAULLE, GENERAL CHARLES:
—visit to Canada: 157-63

DENMARK:
—exchange of legations with: 16-18

DUPUY, PIERRE:
—appointment as Minister in The Netherlands: 50-1

F

FAR EASTERN ADVISORY COMMISSION: 980-1009

FIEDERKIEWICZ, ALFRED:
—proposed appointment as Polish Minister in Canada: 57-8

FORTE, J. D.:
—appointment as Vice-Consul in Portland, Maine: 90-4

FRANCE:
—administration of liberated territory: 131-48, 151-7
—establishment of consular office in Canada: 24-7
—French Committee of National Liberation:
—appointment of Canadian representative to: 18-24
—use of former legation premises in Ottawa: 27-8, 32

—French provisional government:
—exchange of Ambassadors with: 33-5
—recognition of: 131-75
—Mutual Aid for: 530-9
—return of Canadian representative to Paris: 29-31
—St. Pierre and Miquelon:
—closure of Canadian Consulate: 32-3
—title of representative in Canada: 28-9

G

GERMANY:
—protection of interests in Canada: 101-5

GLASS, LESTER S.:
—appointment as Acting Consul General in Portugal: 68-9

GOVERNOR GENERAL, APPOINTMENT OF: 1-7

GREAT BRITAIN:
—financial arrangements with: 539-715

GREECE:
—employment of Canadian forces in: 337-44
—exchange of Ambassadors with: 35-9
—relief for: 1600-26

I

INDIA:
—Mutual Aid for: 715-31
—proposal to exchange High Commissioners with: 39-41

ITALY:
—appointment of representative in Canada: 42-5
—civilian supplies: 1626-42

J

JAPAN:
—protection of interests in Canada: 106-16

JAPANESE IN CANADA, POLICY CONCERNING: 1119-70

K

KEARNEY, JOHN:
—appointment as Minister in Denmark: 17-18
—appointment as Minister in Norway: 52

L

LAFLÈCHE, MAJOR-GENERAL L. R.:
—appointment as Ambassador in Greece: 36-9

LAUREYS, HENRY:
—appointment as Ambassador in Peru: 55-6

LUXEMBOURG:
—appointment of Minister to: 10-13

M

MCCARTHY, LEIGHTON:
—appointment as Ambassador in United States: 76-8

MEXICO:
—exchange of embassies with: 45-9

MILITARY RELIEF:
—British zone of Germany: 1438-42, 1463-5, 1472-3, 1478
—financing of: 1287-1484
—payment for by The Netherlands: 1478-80, 1482-4
—termination of military relief for Italy: 1447-56, 1458-63, 1465-72, 1475-7

MUTUAL AID PROGRAM:
—Australia: 473-84
—British West Indies: 484-97
—China: 497-530
—France: 530-9
—India: 715-31
—New Zealand: 732-4
—Soviet Union: 734-58
—termination of Joint War Aid Committee with United States: 759-60

N

NETHERLANDS, THE:
—appointment of Minister in: 50-1

NEW ZEALAND:
—Mutual Aid for: 732-4

NORWAY:
—appointment of Minister in: 51-2

P

PASSPORTS: 122-7

PEACE SETTLEMENT:
—Austria
—occupation and control: 920-1, 926, 936, 940-2
—Bulgaria: 966
—Council of Foreign Ministers: 795-827
—Finland:
—surrender terms: 943-65
—Germany:
—surrender terms: 827-82
—establishment of Canadian Military Mission in Berlin: 926-33
—occupation and control: 882-942
—Hungary: 972
—Italy:
—Canadian involvement in Advisory Council for Italy: 782-4
—negotiation of peace treaty with: 784-94, 814, 820-7
—Japan:
—occupation and control: 977-1009
—surrender terms: 972-7
—Roumania: 966-71

PERU:
—exchange of embassies with: 46, 53-6

POLAND:
—proposal to exchange legations with: 56-8

PORTUGAL:
—establishment of Consulate General in: 68-9

PRISONERS OF WAR:
—acceptance by Canada of: 1102-9
—repatriation of Finnish internees: 1114-16
—repatriation of German prisoners of war: 1116-18
—treatment of Italian prisoners of war: 1110-14

PROTECTION OF CANADIAN INTERESTS: 96-100

Q

QUEBEC CONFERENCE: 267-71

R

REFUGEES:
—admission to Canada of Jewish refugees: 1244-67
—Intergovernmental Committee: 1267-86
—status in Canada: 1262-4
—Sudeten Germans: 1265-7

RELIEF FOR LIBERATED TERRITORIES:
—availability of supplies: 1642-93
—rationing of meat in Canada: 1659-63, 1669-70, 1689-90

REPARATIONS: 1044-96

REPATRIATION:
—agreement with Soviet Union: 1221-7, 1230-2
—transfer of persons to Soviet Union: 1220-1, 1227-44

REPATRIATION AND RELIEF OF CANADIANS:
—Asia: 1201-19
—Europe: 1171-1201

S

SOUTH AFRICA:
—title of representative in Canada: 59-67

SOVIET UNION:
—entry into war with Japan: 176-8
—international status of Soviet Federated Republics: 1009-11
—Mutual Aid for: 734-58
—UNRRA relief for: 1542-75

SPAIN:
—proposal to exchange missions with: 67-8

SWITZERLAND:
—establishment of Legation in Canada: 69-76
—protection of Canadian interests: 96
—protection of Japanese interests in Canada: 106-16
—relinquishment of protection of German interests in Canada: 101-5

T

TRADE AND COMMERCE, DEPARTMENT OF:
—relations with Department of External Affairs: 116-121

TURGEON, W. F. A.:
—appointment as Ambassador in Belgium and Minister to Luxembourg: 12-13
—appointment as Ambassador in Mexico: 49

U

UNCONDITIONAL SURRENDER: 128-31

UNRRA:
—Canadian contribution to: 1495-6, 1529-38
—Canadian representation on Central Committee: 1588-99
—future program of: 1522-38
—procurement of supplies in Canada: 1496-1521, 1539-42
—relief for Greece: 1619-26
—relief for Soviet Union: 1542-75
—Sanitary Conventions: 1576-87
—second session of the Council: 1484-94
—third session of the Council: 1588-99

UNITED STATES:
—appointment of Ambassador in: 76-8
—consular representation in: 78-94
—co-operation with Canada in Mutual Aid Program:
—termination of Joint War Aid Committee: 759-60
—disposal of war supplies: 775-81
—establishment of Vice-Consulate in Portland, Maine: 89-94

V

VAILLANCOURT, EMILE:
—appointment as Minister in Cuba: 15-16

VANIER, G. P.:
—appointment as Ambassador to French Provisional Government: 33-5
—appointment as Canadian representative to French Committee of National Liberation: 18-24

VENEZUELA:
—establishment of Consulate General in: 95

W

WAR CRIMES:
—Asia: 1035-43
—United Nations Commission for Investigation of War Crimes:
—Canadian participation: 1012-34

WAR SUPPLIES, DISPOSAL OF:
—Great Britain and Europe: 760-75
—United States: 775-81

ORGANIGRAMME DE L'ADMINISTRATION CENTRALE DU MINISTÈRE DES AFFAIRES EXTÉRIEURES — 1945 — DEPARTMENT OF EXTERNAL AFFAIRS HEADQUARTERS ORGANIZATION CHART

SECRÉTAIRE D'ÉTAT AUX AFFAIRES EXTÉRIEURES
SECRETARY OF STATE FOR EXTERNAL AFFAIRS
W. L. Mackenzie King

SOUS-SECRÉTAIRE D'ÉTAT AUX AFFAIRES EXTÉRIEURES
UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS
N. A. Robertson

SOUS-SECRÉTAIRE D'ÉTAT ASSOCIÉ AUX AFFAIRES EXTÉRIEURES
ASSOCIATE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS
H. H. Wrong

SOUS-SECRÉTAIRE D'ÉTAT ADJOINT AUX AFFAIRES EXTÉRIEURES
ASSISTANT UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS
L. Beaudry

CONSEILLER JURIDIQUE
LEGAL ADVISER
J. E. Read

DIRECTION ÉCONOMIQUE
ECONOMIC DIVISION
H. F. Angus (-9)
S. D. Pierce (9-)
— S. D. Pierce (-9), A. C. Smith (10-), G. A. Rau (8-), J. D. M. Weld (9-), H. D. Burwash, J. A. Chapdelaine (3-?), G. Smith (-8)

PREMIÈRE DIRECTION POLITIQUE
FIRST POLITICAL DIVISION
(Organisations internationales)
(International Organizations)
C. S. A. Ritchie — G. Ignatieff, J. H. Warren (11-)

DIRECTION DIPLOMATIQUE
DIPLOMATIC DIVISION
L. Beaudry — H. Reid, J. R. Murray (7-10), T. B. Wainman-Wood (6-), C. G. G. Sicotte (3-), H. B. O. Robinson (10-), W. H. Measures

DIRECTION JURIDIQUE
LEGAL DIVISION
J. E. Read — E. A. Côté (7-), R. Chaput (-10), J. Fournier (-10), J. D. Foote (8-12), E. R. Hopkins, D. G. Blair (4-), R. Campbell (9-), P. E. Renaud, L. de la C. Audette (11-), K. Dunton (-8)

DIRECTION DE L'INFORMATION
INFORMATION DIVISION
T. W. L. MacDermot — A. M. Ireland (-?), M. Q. Dench, L. A. D. Stephens (9-), J. W. O'Brien (9-12)

DEUXIÈME DIRECTION POLITIQUE
SECOND POLITICAL DIVISION
(Commonwealth, Europe, Moyen-Orient, Afrique)
(Commonwealth, Europe, Middle East, Africa)
G. P. de T. Glazebrook — R. A. MacKay, M. Fortune (-7), R. G. Riddell, L. Malania, J. M. S. Careless (-7), P. T. Molson (11-), R. A. D. Ford (9-), G. G. Crean (11-), J. K. Starnes (?-), E. P. MacCallum (?-), C. C. E. Châtillon (3-), H. H. Carter (10-), A. M. Ireland (?-), P. G. R. Campbell (?-?)

ECTION DIPLOMATIQUE / IPLOMATIC DIVISION — H. Reid, J. R. Murray (7-10), T. B. Wainman-Wood (6-), C. G. G. Sicotte (3-), H. B. O. Robinson (10-), W. H. Measures
IRECTION JURIDIQUE / LEGAL DIVISION — E. A. Côté (7-), R. Chaput (-10), J. Fournier (-10), J. D. Foote (8-12), E. R. Hopkins, D. G. Blair (4-), R. Campbell (9-), P. E. Renaud, L. de la C. Audette (11-), K. Dunton (-8)
TION DE L'INFORMATION / FORMATION DIVISION — Dermot — A. M. Ireland (-?), M. Q. Dench, L. A. D. Stephens (9-), J. W. O'Brien (9-12)
ME DIRECTION POLITIQUE / ND POLITICAL DIVISION (th, Europe, Moyen-Orient, Afrique) (alth, Europe, Middle East, Africa) — azebrook — R. A. MacKay, M. Fortune (-7), R. G. Riddell, L. Malania, J. M. S. Careless (-7), P. T. Molson (11-), R. A. D. Ford (9-), G. G. Crean (11-), J. K. Starnes (?-), E. P. MacCallum (?-), C. C. E. Châtillon (3-), H. H. Carter (10-), A. M. Ireland (?-), P. G. R. Campbell (?-?)

BUREAU DE PASSEPORTS
PASSPORT OFFICE
J. J. Connolly

SECTION SPÉCIALE
SPECIAL SECTION
(problèmes découlant de la guerre)
(War-related problems)
A. Rive (-9)
M. H. Wershof (-9)
— A. M. Belton (-?), H. F. Feaver (-3), Capt. J. W. O'Brien (-9), L. A. D. Stevens (-9), J. R. Cameron (-12), M. H. Wershof (-9), J. A. McCordick, A. D. Crowe (?-?), J. A. Irwin (12-), N. McKinley, J. George (4-9), K. Scherf (-?), B. M. Meagher (-12)

SERVICES ADMINISTRATIFS
ADMINISTRATIVE SERVICES
W. D. Matthews — S. D. Hemsley (10-)

TROISIÈME DIRECTION POLITIQUE
THIRD POLITICAL DIVISION
(É-U., Amérique Latine, Asie)
(U.S., Latin America, Asia)
R. M. Macdonnell — F. H. Soward, E. H. Norman (-8), G. W. Hilborn, A. R. Menzies (-5), M. Bridge (-11), G. S. Patterson (5-), R. A. J. Phillips (9-)

BUREAU DU SOUS-SECRÉTAIRE D'ÉTAT AUX AFFAIRES EXTÉRIEURES
OFFICE OF THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS
J. F. Boyce
J. A. Chapdelaine (?-)
E. P. MacCallum (-?)
R. G. Robertson (-?)

CABINET DU PREMIER MINISTRE
OFFICE OF THE PRIME MINISTER
J. L. Delisle
J. A. Gibson
W. R. Martin (12-)
J. W. Pickersgill
R. G. Robertson (?-)

BUREAU DU CONSEIL PRIVÉ
PRIVY COUNCIL OFFICE
J. A. Chapdelaine (-2)

NOTE

La période durant laquelle une personne occupait un poste ou faisait partie d'une direction ou d'une section est indiquée entre parenthèses à côté du nom. Le nom du chef d'une direction ou d'une section se trouve toujours à gauche de la liste des membres.

The period during which a person held a position or was a member of a Division or Section is indicated in parentheses beside the name. The name of the Head of a Division or Section is always to the left of the list of members.